

July 1945

NATION'S BUSINESS

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**THE LEND-LEASE
GRAB BAG**

**BALLYHOO RUNS WILD
IN WASHINGTON**

**SKYWAYS BECOME
BUY WAYS**

FRANKLIN
WORTHACK
ARTIST

MORE FORD TRUCKS ON THE ROAD • on more jobs • for more good reasons!



"THE FORD SHOW." Brilliant singing stars, orchestra and chorus. Every Sunday, NBC network. 2 P.M., E.W.T., 1 P.M., C.W.T., 12 M., M.W.T., 11 A.M., P.W.T.

FORD TRUCK engineering has always had three main goals: better performance and endurance, lower operating cost and easy, economical servicing.

Ford service-economy is founded on high-precision manufacture, with accuracy standards measured in millionths of an inch by means of Ford Johansson Gage Blocks. This provides a better truck to begin with, and makes repair parts fit.

Ford design cuts service costs, too. The engine bearings, valves, water pumps, distributors, need but little attention and are easy to "get at." Ford rear axles are full-floating—no

load on the axle shafts. Clutches and transmissions are extra-sturdy and of exceptional capacity. Universals are of long-lived needle bearing type. Ford hydraulic brakes are big, with heavy, score-resistant cast drums. Ford frames and springs are always designed with generous capacity for their rated loads.

Under government allocation, present production of Ford Trucks is necessarily limited, as to types, quantities and equipment, for essential civilian needs. See your near-by Ford Truck dealer for friendly counsel in obtaining official certification of your requirements.

Nation's



Business

PUBLISHED BY

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VOL. 33

JULY, 1945

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PUT YOUR BUSINESS IN THE
CLEAN AIR ZONE



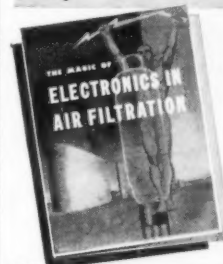
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AAF
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Department Store losses due to smudging and soiling of valuable merchandise by dust, soot and smoke run into millions yearly.

Electronic air filters now in use by many leading stores have eliminated such losses and kept merchandise fresh in appearance, resulting in increased sales and profits.

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SAFETY COMES IN SMALL PACKAGES



SAFE!... Back from the hell of flak and fighters comes one of our aircraft—shot up but held together by the toughness of its construction still responding to the hand of the pilot.

Ball bearings are a vital element in the almost legendary performance of American planes—and the precision operation of our bombsights, gyroscopes, tanks, trucks, and other machines of war. And hundreds of thousands of these bearings must have a surface finish not varying more than one millionth of an inch. Moisture and dust are enemies of accuracy during assembly, and could cause rust or size variation, making bearings unusable.

Controlling temperature and humidity for the bearing industry is one of air conditioning's major home front tasks. Three great **SKF** plants alone use enough York equipment to produce 24,000,000 cooling units*. This

immense figure, however, is but a small fraction of the five and one half billion cooling units York has contributed to the war effort to date.

Air Conditioning and Aircraft Tomorrow

These wartime developments in air conditioning will bear fruit in the air age of tomorrow. As more and more of our transportation takes to the skies, faster and *safer* planes will come off the assembly lines—because air conditioning will make it possible to machine parts and instruments to the ever closer tolerances demanded by plane designers.

The science that now is working night and day to make better weapons of war will be an equally powerful force in forging the instruments of peace. York Corporation, York, Penna.



*Cooling effect in B.T.U. per hour, American Society of Refrigerating Engineers Testing and Rating Code Number 14-41.

YORK REFRIGERATION AND AIR CONDITIONING

HEADQUARTERS FOR MECHANICAL COOLING SINCE 1885

Before You
Say Your Business
is "Different"...

*Read this
Book!*



No matter how "different" your business may be, you are faced with certain time-wasting, energy-consuming, profit-shrinking problems common to every business, regardless of size—problems which a Teletalk Intercommunication System can help solve quickly!

We have published a book which fully explains Teletalk, and shows how it can end the costly, needless running around between offices or departments every time you want to get or give information or instructions... it tells how you can set up instant voice-to-voice contact with another key man (or several at once), each remaining at his own desk. The time and energy saved more than pay Teletalk's modest cost in a short time.

The six-station Model 206 Teletalk shown here is ideal for use in small businesses, plants, retail and wholesale stores, warehouses, service organizations and other groups. Other models are available for businesses of any type or size, from a two-office suite to a ten-acre plant. All are pictured and fully described in our attractive book.

With all its unusual features of convenience and economy of time and energy, Teletalk is surprisingly low in cost; installation is quick and easy; it is powered by your regular lighting circuit; maintenance is negligible. Users everywhere claim they could not—would not—again be without it.



WRITE FOR BOOK TODAY

Send for this informative Teletalk Book today—it gives full details of what Teletalk is, how it works—best of all, how it can speed up your business tempo and boost your profits.

Licensed under U. S. Patents of Western Electric Company, Incorporated, and American Telephone and Telegraph Company.

Let's All Back the Attack
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"Where Quality is a Responsibility and Fair Dealing an Obligation"

NB

Notebook

Red, white and blue

UP to 12 years ago or a little more, newspaper readers could count upon a dispatch datelined "Winsted, Conn., July 3" which would ring in some variation of the Independence Day theme. Once it was a hen that regularly laid red, white and blue eggs on July 4. The Winsted correspondent, never equalled or even approached on tall stories from the sticks, was Louis Timothy Stone who joined the Winsted *Citizen* in 1892 and was managing editor and general manager from 1926 until he passed on in 1933.

Some of his weird creations are weird only in the light of the past. Why, for example, paint a spider and web on a bald pate to keep flies away when DDT becomes available? And if wood can be fed dye to color it in the processes of nature, what's to stop red, white and blue eggs?

Momentum costs

WAR contractors have a new source of worry in what has been given the name of "momentum costs." In terminating war business they are seeking compensation for an obvious result of sudden cut-backs that military procedure apparently does not cover.

To make "momentum costs" clear, let's start from the beginning. As the war orders kept piling in, many executives took on several jobs. The production manager hired workers, looked after specifications and watched inspections.

As expansion continued, specialists were engaged for all these jobs. The main object was to get the work out. The military objective was the same thing and procurement agencies were lenient in accepting the extra costs.

In reverse, however, administration is contracted more slowly because there is still need of the specialists who were taken on during expansion.

Small business loans

IN its "share the loan" program for small business, the RFC is signing up 25 to 45 banks a day. Under what is called a Blanket Participation Agreement the RFC guarantees up to 75 per

cent of bank loans up to \$250,000. The loans must be paid back within ten years at the rate of ten per cent a year. The borrower pays four per cent interest on the guaranteed portion of the loan and up to six per cent for the 25 per cent taken by the bank.

Since the RFC loans are practically automatic when the bank decides to make the loan, great advantages are seen in meeting reconversion and postwar financial problems. At the end of May the banks signed up for this guaranteed loan program exceeded 800.

The formula for the program is similar to that of the Federal Housing Administration but with some important differences. FHA has a glowing record. Out of 1,055,474 insured mortgages only 4,000 had been foreclosed up to June 30, 1944, and all but 24 of the foreclosed properties were resold up to that time. Housing collateral, however, can be accurately appraised and losses safely insured, as Emil Schram, president of the New York Stock Exchange, recently testified before the House Small Business Committee.

Business risks are "something else again," the stock exchange head said. Nevertheless the bank must first pass on the risk and that is the kind of "screening" which ought to provide insurable risks.

—And small business fears

IN the weeks following V-E Day, mail received by the House Small Business Committee mounted to a flood, the committee reported. The fears expressed followed mainly these five lines:

1. That the manufacturers would not obtain an equitable share of available materials resulting from cut-backs.
2. That small firms would not be given adequate consideration when surpluses were sold.
3. That tax and renegotiation inequities would not be corrected soon.
4. That programs for supplying long-term and venture capital won't become effective in time to meet needs.
5. That postwar competition from large distributors such as manufacturer-

Paid 18¢ a day...

but he's EXPENSIVE transportation!

THIS African carries a 90 lb. load 20 miles through the forest of Southern Nigeria for a wage of only 18c a day.

Looks cheap, doesn't it? But look again!

The speed in transit is about 3 miles an hour! The cost adds up to 20c a ton mile!

Here in America, your railroads carry freight at high speeds for an average cost to shippers of less than 1c a ton mile! And railroad workers, like other Americans, enjoy the world's highest living standards.

What makes the difference? Simply this: 1. *Private investment* of over 27 billion dollars in vast networks of railways, efficient rolling stock, and modern facilities. 2. *Ingenuity* of railroad men in developing constantly higher efficiency in rail transportation. 3. *Mass transportation*, by which big volumes of freight pulled by a single unit of motive power makes possible low shipping costs.

Buy War Bonds and Stamps

ERIE

Erie Railroad

ONE OF AMERICA'S RAILROADS—ALL UNITED FOR VICTORY

owned stores will increase hazards too much for the typical small business man engaged in distribution.

For whom the bells toll

POSTWAR Americans want to keep their postwar jobs, if the latest survey of the WPB Office of Civilian Requirements offers any clue. Highest on the list of household articles wanted right now is 12,590,000 alarm clocks. Second is window screening, 100,000,000 square feet. Passing along to household appliances the WPB division found that 5,852,000 mechanical refrigerators would be bought immediately if available, 5,835,000 washing machines, 5,195,000 electric irons and 5,085,000 radios.

OCR made a similar survey last year so that it is now possible to discover what is wearing out faster among these consumer durable goods. Jumps of 90 per cent each were recorded for vacuum cleaners and radios. Last year 2,390,000 cleaners were wanted. This year the figure has climbed to 4,501,000. In radios the rise has been from 2,682,000 to 5,085,000.

Regrouping industry

HAVING passed its second reading in the House of Commons, the British Distribution of Industry Bill is now in the hands of a committee which will work out details of legislation which is likely to have a profound effect on the nation's business life. England intends to turn what was her disaster in the air blitz to her future advantage by rebuilding her industries for greater diversification throughout the country and with due attention to strategic requirements.

The bill requires manufacturers who plan factories having more than 3,000 square feet of space to consult with the Board of Trade upon the location. They will then receive the "advice" of the Board regarding their choice of site. The Board will have no compulsory power but the system of licenses will be continued. It is likely, therefore, that the Board's advice will be heeded.

Concentration of industry has been a prime problem in England and its so-called "blighted areas" have added greatly to employment difficulties at various times. The legislation now in committee goes for a third reading before Commons and from there to the House of Lords and to the King for signature. The fact that it has reached committee, however, means that its general principles have been accepted.

Claimed for brands

IN Soviet Russia they have discovered that the unlabeled product is to blame for numerous shortcomings in quality and service. Orders have been issued that require descriptions and the drive is on to produce according to stricter specifications.

Once this program gains speed, Soviet authorities can cogitate on the re-

sults cited recently by A. O. Buckingham, vice president of Cluett, Peabody & Co. In the 15 prewar years, Mr. Buckingham said, mass production of branded items lowered the price of electric refrigerators 54 per cent; vacuum cleaners, 19 per cent; electric irons, 51 per cent; cameras, 60 per cent; silk stockings, 50 per cent; table model radios, 79 per cent; and toilet soap, 60 per cent.

By-passing blueprints

IN its time-table for war plant reconversion, WPB listed the estimates given by members of 72 industries as to how long it would take to reach "break-even" point and "all-out capacity." The automobile industry figured eight and 15 months respectively. Thirty-four industries indicated they would require no time at all for "break-even." For jeweled clocks and watches a full year will be necessary, the longest for any industry.

It may have been, of course, that the industries were "guessing on the safe side." In informal discussion, for instance, one of the "Big Three" automobile producers is reported to have substituted 60 to 90 days for the eight months of the time-table.

Meanwhile a new factor for speeding reconversion is at hand in template reproduction, the new patterning process which has speeded ship and aircraft production. This method, according to Arthur D. Little, Inc., engineers and chemists, may replace scale drawings and blueprints or other reproductions in which dimensions are indicated by figures. It has been estimated, the Little bulletin explains, that templates can cut tooling time 60 per cent and assembly time can be reduced by making sub-assemblies of the templates to be used as models.

Two more characters

VIEWS may vary on a number of post-war matters but the forecast that enjoys widest acceptance is that competition is to be very keen indeed. This was true even before two new characters were added to the cast of the post-war drama titled "Competition" in the persons of Mr. Basing Point and Mr. Railroad Parity Rate.

The basing point decision of the U. S. Supreme Court doesn't outlaw multiple basing point systems, authorities suggest, but it will cause plenty of shuffling of present selling terms. The court took cognizance of the decision of Congress not to legislate f. o. b. as the only impartial delivery practice and at the same time ruled that the Robinson-Patman Act required "equal terms to equal buyers" and no payment of "phantom freight."

The Interstate Commerce Commission decision temporarily will cause less competitive disturbance because it affects only about five per cent of the nation's freight load, according to experts. It is merely a first step toward



Jamaica Buses, Inc., at 114-02 New York Blvd., Jamaica, L. I., operates 73 buses, serving Jamaica, and Queens and Nassau Counties.

"My fleet runs right...and I can prove it scientifically with the Cities Service POWER PROVER," says J. F. Weidner, General Maintenance Superintendent of Jamaica Buses, Inc. "It eliminates guesswork in tune-up. Tells

quickly and accurately just what and where the trouble is. As a result we get better bus operation...less oil dilution...and save several hundred gallons of our strictly limited supply of gasolene every day."



After inserting hose of Cities Service Power Prover in exhaust outlet, Bill Rees, Power Prover Serviceman, points out a 42% gasolene waste to Bill Koestring, mechanic for Jamaica Buses, Inc.



Koestring makes his tune-up adjustments as he watches the Power Prover dial. Accurately, quickly, the needle registers a gradual reduction in gasolene waste, as tune-up progresses.



Koestring shows George Kletty, Garage Foreman just how he improved engine efficiency... and reduced gasolene waste from 42% to 18%—normal idling operation.

Note: This offer is limited to principal cities in Cities Service marketing territories East of the Rockies.

Take Advantage of the Cities Service Power Prover for Your Own Fleet—NOW!

Mail in This Coupon Today for a Free Demonstration Test on Your Vehicles.



Cities Service Oil Company
Room 361
70 Pine Street, New York 5, N. Y.

Gentlemen: I am interested in cutting gasolene waste with the Cities Service Power Prover. Please send me more information.

Name.....

Company.....

Street Address.....

City..... State.....

No. of Vehicles in Fleet.....

FACT OR FICTION? A QUICK QUIZ ON TACOMA MAGIC

1 DESTRUCTION-BY-ELECTRICITY IS RAPIDLY BECOMING A MULTI-MILLION DOLLAR INDUSTRY IN THE DYNAMIC CITY OF TACOMA, WASHINGTON.

FACT OR FICTION?

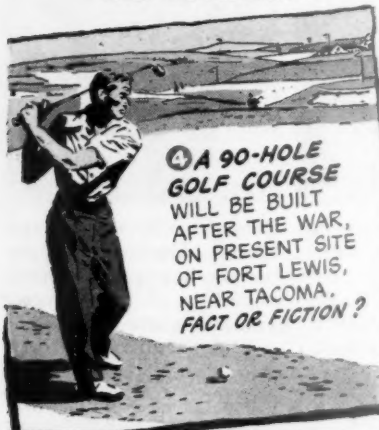


2 EXPLOSIVES ARE MADE FROM FLOUR PRODUCED IN TACOMA. FACT OR FICTION?



3 DAFFODIL-KILLERS ON FARMS NEAR TACOMA DESTROY ACRES OF GORGEOUS BLOOMS EACH YEAR, TO MAKE YOUR GARDEN PRETTIER.

FACT OR FICTION?



4 A 90-HOLE GOLF COURSE WILL BE BUILT AFTER THE WAR, ON PRESENT SITE OF FORT LEWIS, NEAR TACOMA.

FACT OR FICTION?



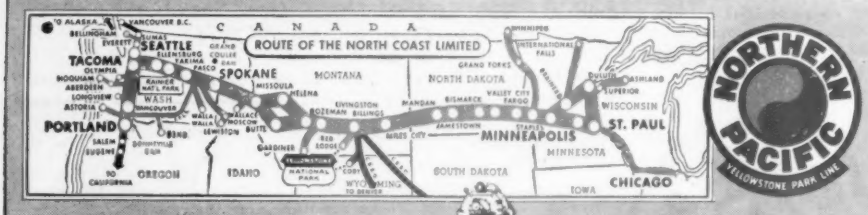
CHECK YOUR ANSWERS HERE:

1. Fact. By using electric power to break down raw materials, Tacoma is now making aluminum . . . adhesives . . . acids . . . insecticides . . . fertilizers . . . dozens of basic products for war and peace. Cheap and abundant electric power, plus nearby mines and forests, plus an excellent deep-sea port and fine rail transportation give Tacoma's electro-chemical industries unbounded opportunity in the world of tomorrow.

2. Fact. But it's wood flour . . . a strange and versatile new product, fine as talc, ground from selected trees 100-150 years old, and used also to make plastics, roofing and linoleum. Thousands of cars of logs and lumber products hauled by Northern Pacific have helped maintain Tacoma as the "Forest Products Capital of America".

3. Fact. In the Puyallup Valley, near Tacoma, growers produce one-third of all U. S. daffodil bulbs. The blooms must be picked, to develop large and healthy bulbs. But in peacetime, Northern Pacific will again bring tourists to see these flowers in the spectacular Daffodil Festival. Tacoma is also the principal gateway to Mt. Rainier National Park—one of the great scenic wonders of the world.

4. Fiction. Actually, the Fort's 96,000-acre area could accommodate an 8,640-hole golf course . . . but Tacomans are proud that the Army will maintain Fort Lewis as a permanent post. America's second largest military installation, Fort Lewis itself is as large as many important towns along the "Main Street of The Northwest".



NORTHERN PACIFIC
Main Street of the Northwest

rate parity and uniformity. Class rates are to be raised ten per cent in the East and lowered the same amount in the South and West on Aug. 30.

The basing point decision may be said to bear directly on intercompany competition while the rate parity ruling has major potentials in the long future with respect to sectional competition.

Incidentally, it may be the little fellows who will be hurt by the basing point edict once the "price umbrella" is removed from their operations in centers which are not established distributing points.

50 years for X-ray

THE Electrical Manufacturers Public Information Center has some fun in its news page telling about the possibilities held forth for X-rays when they were discovered by Roentgen in 1895. Newspapers suggested that they might photograph the soul and solve spiritualism. A New Jersey assemblyman introduced a bill barring the use of X-rays in opera glasses. A London merchant is said to have advertised a sale of women's clothing "X-ray proof."

Fifty years ago it was probably easier to believe in these applications of the discovery than to imagine, for instance, that radiation from a 2,000,000 volt machine would photograph through eight inches of steel in one minute. Fact has outrun fancy and the X-ray has become an "invaluable instrument in industry and war production, as well as in medicine."

Language trouble

A FEW months ago there was some mild criticism in these columns about men of learning who often write in language that few laymen can understand. Men of science were mentioned. It now seems that newspapers of all things are prone to the same weakness and that government farm literature is a prime offender. At least that is the impression gleaned from some recent reading.

Readable News Reports, directed by Robert Gunning, having measured the readability of newspapers for the past year, finds that "today's newspapers are offering the public some of the most difficult reading material published" and that "newspapers have become steadily harder to read since World War I." United Press copy was analyzed and in the first tests "half of it would have been difficult reading for college graduates."

Within three weeks the reading difficulty had been cut by five grade levels. U. P. has now issued a booklet to editors on readability.

Passing along to the farm community, the *National Union Farmer* in a recent issue tells how the Alfred P. Sloan Foundation discovered it had to write its own pamphlets in simple language because the average person could not understand the government literature.

MANAGEMENT'S *Washington* LETTER

A last minute roundup by a staff of Washington observers of government and business

► **YOUR MANAGEMENT POLICIES** and decisions should be guided by the one word which overshadows all others in Washington today—"transition." It is transition from all-out war production to about 50-50 war-and-peace production.

► **FOUR BASIC FACTS** underlie the current movement, as forecast for the coming three months: (1) steady easing of the manpower picture in every industrial center, (2) a sharply reduced rate of federal spending, gaining momentum daily with military cutbacks, (3) a moratorium on new legislation until October, at earliest, and (4) a continuing creeping advance in living costs as OPA price controls give way before the mounting reconversion demand for commodities and capital goods.

July 1 marks the first general relaxation of wartime economic controls. The lid is not off; but it's up a little!

It's a time for aggressive, hard-hitting business action—for a clearing of decks—time to get set for a strong surge of prosperity based on civilian production for long-starved markets.

► **DON'T WAIT** for Washington to solve your procurement problems. Washington often finds itself in its own hair these days. Says WPB Chairman Krug: "If we were to attempt to see that every manufacturer, wholesaler and retailer got his exact share of released manpower and materials, we would be lost in a myriad of rules and regulations; we would get in the way of reconversion, rather than speed it."

Of 650 control orders in force April 1, some 239 already have been revoked; other relaxations will come along from week to week.

With 51,200,000 civilians gainfully employed, we have 87 per cent in indus-

tries which face no reconversion problems; remaining 6,600,000 are in the primary war industries, which will be the last cut back. So don't worry about unemployment this year.

► **SUMMER RECESS** planned by Congress after July 15 will delay action on President Truman's request for broad authority to eliminate and consolidate overlapping emergency bureaus; but drastic whacking down of federal structure will be approved in October.

Byrd economy committee tabulates 1,200 different operating units in federal establishment, employing more than 3,500,000 civilians.

More than 400,000 U.S. civilians now are in full-time federal services outside the U.S. continental limits.

► **NEW ECCLES PROPOSAL** would aid smaller business operations by exempting from corporate tax rates all earnings distributed as dividends; would also allow retention of tax-exempt profits up to \$50,000 a year for business development.

But catch is that most small businesses are not incorporated; are taxed under personal income rates, where no allowances are made for capital reserves.

Technical and administrative difficulties of such business exemptions in personal income schedules thus far have proved insurmountable.

► **CIVILIAN RUBBER OUTLOOK** has improved considerably during past 60 days; some new tire factories, easier manpower picture, curtailed lend-lease allocations for Europe.

WPB's Rubber Bureau estimates there will be three new tires for every four civilian passenger cars in '45, including those already rationed in first half. Ration boards have been advised.

► **PHILIPPINE INDEPENDENCE** may be postponed indefinitely beyond present statutory date, January, '46, if Congress approves Senator Tydings' report on a proposed \$100,000,000 reconstruction program.

Tydings found 15 per cent of all Philippine dwellings and buildings destroyed by war, another ten per cent damaged. U.S. Army now is feeding 600,000 persons in Manila alone. Government has ordered 225,000 tons of rice for Filipino emergency feeding in six months starting in November.

All mining is practically suspended for want of machinery. Sugar, the

Islands' No. 1 money crop, is burned out. Before Pearl Harbor, U.S. took 900,000 tons of Philippine sugar annually.

► **WORLD SHIP POOL** to handle Pacific War and European reconstruction has been set up as the United Maritime Authority, under London Agreement of Aug. 5, 1944.

U.S. representative is Vice Admiral Emory S. Land, Chairman of the War Shipping Administration. Other participating nations: Great Britain, Norway, Netherlands, France, Belgium, Canada, Greece, Poland, India and Australia. Russia will manage her own shipping in her own way.

Agreement expires six months after surrender of Japan. U.S. will supply the ships from her war-built fleet; will have a voice in allocation of tonnage for war, relief, reconstruction, export and import trade. Formal international executive agreement removes excess ship tonnage from restrictions of surplus property controls.

► **BRETTON WOODS** agreements can't become fully operative for several years, even should Senate soon confirm House ratification.

An oft-neglected section of Bretton Woods Pact gives England a transition period of three to five years, during which new bilateral exchange agreements are permissible outside and beyond Bretton Woods machinery. After this transition period, signatory nations still reserve full freedom of choice on relinquishing their own exchange arrangements in favor of the international management program.

Since Bretton Woods Conference, a year ago, England has concluded bilateral currency and exchange agreements with Belgium, Holland, Sweden, France, Egypt; has tightened dollar control mechanism throughout Sterling area.

Business Significance: Bretton Woods is still in formative stage; won't move the goods for a long time—if ever.

► **AMERICAN CHEMICAL SOCIETY** warns that refusal of Selective Service to defer advanced scientific students already has cost U.S. "one generation of future scientists," and may cost another.

Meanwhile, foreign student enrollment in American colleges has doubled over 1920-40 averages; and applications pending would make 400 per cent in-

crease in foreign students, many sustained by U.S. scholarship funds.

American manufacturers of scientific apparatus and technical equipment are deluged with lend-lease orders "which any ten-year-old child would recognize are to be employed postwar for equipping plants and laboratories" abroad.

Conclusion of American Chemical Society: "With reckless abandon, our Government is selling America short technologically!"

► **WAR VETERANS** have highest priority in purchase of government surplus goods needed to establish new businesses.

Applications for trucks, tools, machinery, and equipment up to \$2,500 may be filed with Smaller War Plants Corp.

Army survey indicates about 1,000,000 veterans have definite plans for new one-man businesses, other than farming.

► **ADVERTISING LABELS** and trade-marks on Army and Navy surplus goods moving in civilian channels must be limited to goods conforming to federal specifications.

Federal Trade Commission and Surplus Property Office have reached an agreement on policing future use of "Army," "Navy," and "U.S. Government" labels to avoid misrepresentation of surplus goods, as distinguished from rejects and condemned items.

"Surplus property from the present war is chiefly secondhand property and must be recognized as such," says FTC.

► **LEND-LEASE** shipments of food and clothing to non-American prisoners of war in Europe have been halted following threats of a congressional investigation. Recent figures before Senate show that 10,000,000 ten-pound food packages were shipped in 1944 to barely 1,000,000 allied prisoners.

Clothing shipments over two years to 150,000 Yugoslav prisoners, alone, made 300,000 complete outfits, each unit consisting of an overcoat, 2 pairs of trousers, 2 shirts, 2 sets of underwear, 1 pair of shoes, 6 pairs of socks, 1 cap, 1 pair of gloves, 3 handkerchiefs, 1 sweater, and 1 muffler. (See page 21.)

► **LABOR GRIEVANCES** may be presented to management by individual workers, but settlement "should be entrusted at each stage to the union representative," WLB has ruled.

Decision means that only union offi-

cials may act as plaintiff's spokesman in grievance proceedings arising under labor contracts approved by WLB.

Employment managers will want full text of this order in the Cocheco Woolen case, No. 111-9210-D.

► **CHINESE TECHNICAL MISSION** has completed 90-day survey of TVA, Grand Coulee, Boulder and Shasta power projects, under auspices of UNRRA. Mission is setting up permanent headquarters in Nanking.

This raises question how far UNRRA (set up for rehabilitation and relief) will interest itself in construction.

► **MILITARY LEATHER** requirements for third quarter will take 40 per cent of available cattle hides, against 25 per cent in 1944.

Combat units in Pacific jungle use five pairs of boots a year, against four in Europe, and two in U.S. camps.

Leather used in 1,000,000 pairs of Army shoes would make more than 3,000,000 civilian pairs. Almost ten per cent of Army's shoe purchases are assigned to other uses—as Philippine forces, French army, prisoners of war.

Trade anticipates no improvement in civilian leather supply until three months after V-J Day.

► **PETROLEUM ADMINISTRATION** reports U.S. refiners produced 85 per cent of all aviation gasoline consumed by United Nations since Pearl Harbor; of all crude produced by Allies, 75 per cent was provided by U.S.

Heavy bombers on long hops burn three tons of gas for each ton of explosives dropped.

► **FARM LABOR SHORTAGE** is acute, with Agriculture Department estimating at least 5,000,000 seasonal workers needed in next four months.

You can help your Chamber of Commerce render a real community service by aiding mobilization of groups for part-time work on nearby farms.

► **COTTON LOANS** to support 1945 crop price probably will be based on 19.60 cents a pound for Middling 7/8-inch.

New parity values by counties will be announced about July 28.

Government "floor" under cotton thus is extended to Aug. 1, '46.

► **HOUSE FOOD COMMITTEE** finds U.S. now is supplying "a large portion of the

food for 250,000,000 hungry people in the Old World."

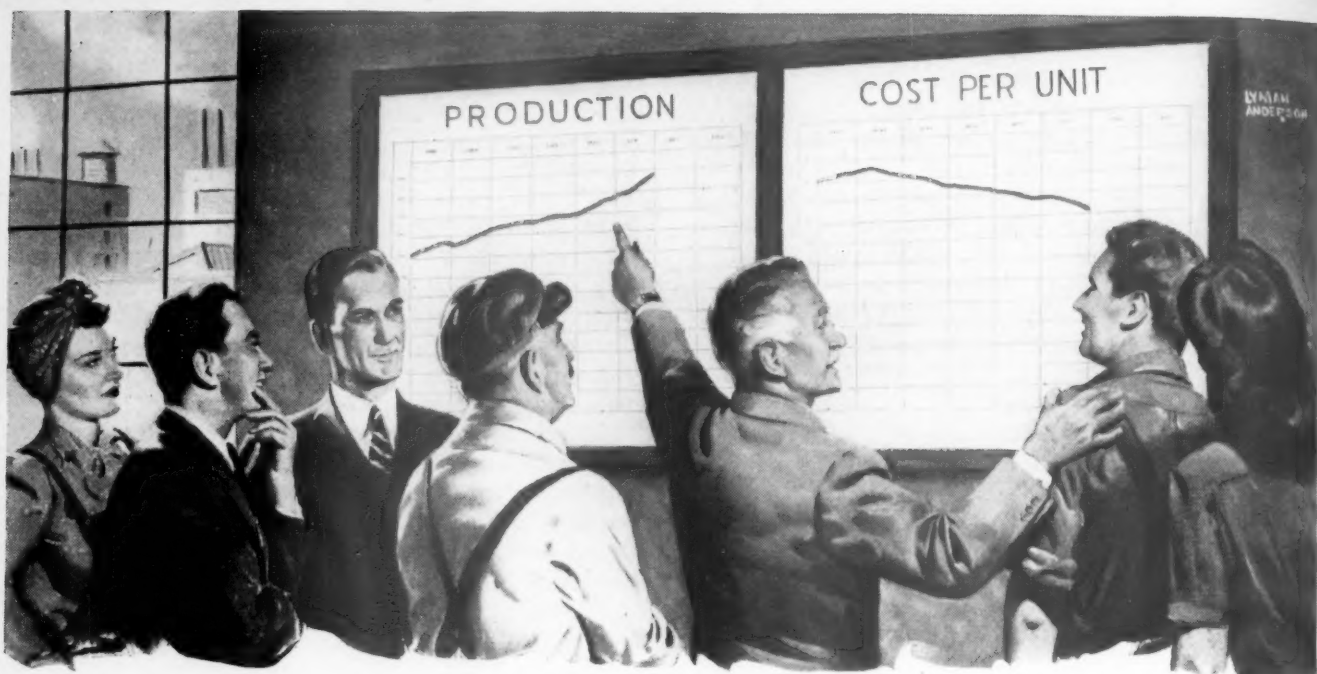
Figures on food exports are suppressed as a military secret. Said a committee member: "Why? I do not know. The war in Europe has been won."

► **WHEAT PARITY** on 1945 crop has been advanced another three cents, giving a new government loan value of \$1.38 a bushel on the farm; equal to \$1.59, Chicago and \$1.70 Baltimore.

Loan rate has been advanced every year since 1940, when government "floor" was 90 cents. In four years, WFA has hiked wheat floor 48 cents a bushel, and over last year has been paying millers 25 cents a bushel subsidy to maintain OPA stabilization ceilings on flour.

Federal loans on 1944 wheat still on hand also have been extended because of shipping and storage congestion, to April 30, 1946, with an added storage premium of five cents a bushel.

► **WASHINGTON BUSINESS BRIEFS:** Continued easy money rates are forecast by Federal Reserve amendment reducing gold reserve requirements....Diplomatic circles hear that Japan may offer Russia an all-year warm-water port on the Pacific to stay out of Asiatic war.... Smaller meat rations put restaurants on same point values per meal as household buyers, to discourage family dining out....Surplus property sales up to \$5,000 authorized without public listing; former limit \$1,000....July "liquor holiday" expected to produce 54,000,000 gallons of beverage distillates....U.S. copper production is estimated 225,000 tons short of '45 requirements....New form of Wagner-Dingell socialized-medicine bill is pronounced a cropper by Capitol Hill insiders.... Raisins have been added to federal food subsidy list....Military intelligence reports Tokyo's population cut in half by bombings, with every possible non-worker moved to hinterlands....New party line of U.S. Communists abandons policy of wartime cooperation; forecasts more strikes....Meat shortages drive farmers to kill laying hens for meat, thus making beginnings of coming egg shortage....Locust swarms threaten new crops in Balkans, calling for 170 tons of arsenite sprays through UNRRA....Army training schools now teach 32 foreign languages; found a Moroccan Arabic instructor in a Brooklyn rug factory.



WHAT CAN BE ACCOMPLISHED BY A *Deferred Profit-Sharing Plan?*

Real advantages can be derived from a Deferred Profit-Sharing Plan correctly designed to meet the specific needs of an organization. Specifically, such a plan . . . calls for the employer to make payments only out of profits . . . assists employees' estate-building and retirement objectives . . . creates incentives for forward-looking employees . . . eases current compensation problems and results in more satisfactory employee relations.

THE INTERNAL REVENUE CODE PROVIDES FOR QUALIFICATION OF SUCH A PLAN, AND THEN

- payments permitted on account of the plan can be deducted from taxable income by the employer
- the employee does not report taxable income until he is entitled to receive a benefit
- the Trust is tax exempt and, therefore, the income and profits are tax free in the trust

The employer's contributions may be based on total profits or on only those profits in excess of a fixed amount or in excess of a percentage-return on capital. Such contributions are placed in trust and may be invested in securities or insurance company contracts or both. The dis-

tribution from that trust of benefits to eligible employees may begin upon the completion of ten years of membership in the plan or upon death, disability, illness, retirement or other severance of employment. Such benefits may supplement the benefits under a basic retirement plan.

Our 92-page summary entitled "Pension, Bonus and Profit-Sharing Plans," covering the fundamentals of formulating and financing employee benefit plans is available. We invite you or your consultant to write for this study and to discuss your particular case with us—without obligation.

THE CHASE NATIONAL BANK OF THE CITY OF NEW YORK

Pension Trust Division

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NEW YORK 15

Lend-Lease Grab Bag

By LAWRENCE SULLIVAN

IS UNCLE SAM big enough or wealthy enough to be permanent "almoner to the world"?



WITH the war ended in Europe, our federal agencies still have \$21,500,000,000 of lend-lease authorizations available. Must U. S. businesses take second priorities on raw materials, fuel, tools and machinery for reconversion and reconstruction while we rebuild Europe?

Lend-lease is in transition. President Truman has reported to Congress that "lend-lease and reverse lend-lease must continue as a military necessity" to win the war in the Pacific. But both war production and lend-lease, he added, now are subject to "adjustments and reductions . . . even as we and our Allies throw augmented forces into the decisive offensive against the Japanese."

That's the new official policy—adjustments and reductions.

But that policy is being administered under the original lend-lease statute of March, 1941, as renewed, amended and extended by Congress in April, 1945. The extension legislation was passed in both Houses while Franklin D. Roosevelt was President and became law under the signature of President Truman, about three weeks before the German capitulation.

Thus we are operating, basically, with a statute written under the stresses of two-front total war. But the war theater which took more than 80 per cent of our wartime lend-lease expenditures now has folded.

Nevertheless, Europe's petitions for assistance in rebuilding her war-shattered industries are insistent. We al-

ready have negotiated postwar assistance arrangements with France, Belgium and the Netherlands, on the ground that these nations are committed to real military cooperation in the Pacific. We are negotiating new agreements with England and Russia.

Congress thinks it detects in these new executive agreements (they are not treaties subject to Senate ratification) a subtle twist of legal terminology which would permit continued lend-lease shipments for European reconstruction, in the guise of 20-year loans.

A shortage at home

IF this is the new program, domestic priorities and allocations must continue in force for perhaps two years longer; because experience has demonstrated since 1942 that we have neither the manpower, industrial capacity, nor transportation plant to carry simultaneously (a) the Pacific war, (b) domestic reconversion, and (c) European reconstruction. Something must give, and, obviously, our war needs in the Pacific will not be submerged.

Since March 11, 1941, we have authorized \$64,192,498,000 for lend-lease. Through June, 1945, total expenditures on lend-lease account were \$42,653,684,000 (partially offset by \$5,000,000,000 in reverse lend-lease). This leaves roughly \$21,500,000,000 in lend-lease funds still available for the remaining year of operations. Under the legislation extending lend-lease authority to June 30, 1946, Congress set up a three-year liquidation period. This means that all such operations must be terminated by June 30, 1949—more than four years after VE Day.

How will FEA dispose of this \$21,500,000,000 in 12 months? In 1944, the peak year of operations, we delivered only \$14,150,000,000 on all lend-lease accounts. Can we, in the next year, dispose of 50 per cent more lend-lease in the Pacific war than was consigned to both Europe and the Pacific in 1944?

In his message to Congress June 4, President Truman asked for only \$1,975,000,000 additional lend-lease funds for the fiscal year ending June 30, 1946; but that message also recommended that \$2,400,000,000 left over from current allocations be carried over to the new fiscal year. This would appear to make available a total of only \$4,375,000,000 for lend-lease in the new fiscal year.

But President Truman's message contained another significant passage. He asked for this new money, "exclusive of aid authorized to be transferred by the War and Navy Departments and the Maritime Commission." The message to Congress did not summarize the lend-lease funds authorized in these departmental appropriation bills. A general provision of all appropriations to the military services and the Maritime Commission is that any part of the total funds, up to 10 per cent, may be allocated for lend-lease account.

One further provision for postwar aid to Europe was mentioned by President Truman. Speaking of our recent agreements with France, Holland and Belgium, he said that beyond lend-lease, "I propose that these allies be assisted in financing necessary equipment and supplies by the Export-Import Bank."

It is FEA's stated policy not to use this authority for European relief and reconstruction. Yet Section 3-c of the amended act authorizes continued lend-lease shipments to Europe after the war, at the discretion of the President, subject to long-term credits.

Under this clause we already have concluded an agreement to supply France with \$2,500,000,000 worth of food, machinery, equipment and supplies. A similar agreement has been made with Belgium. We have made a tentative commitment to supply England with \$5,000,000,000 worth of lend-lease this year, a little more than we supplied in 1944. And Russia is negotiating for \$6,000,000,000 worth of lend-lease this year under the so-called credit provisions of paragraph 3-c.

13 billions to Europe

IF ALL these plans and agreements are consummated, we shall be pledged to ship at least \$13,500,000,000 worth of lend-lease to Europe during the first year after the end of the European war. Out of appropriations now available, this still would leave \$8,000,000,000 for Pacific lend-lease during the next year.

Thus far, the terms of only the French agreement have been published in detail. They call for:

- \$840,000,000 worth of raw materials, including metals, textiles, chemicals, rubber and drugs;
- \$185,000,000 in foods;
- \$132,000,000 in petroleum;
- \$250,000,000 in manufacturing equipment;
- \$48,000,000 for food and clothing to French prisoners of war;
- \$200,000,000 for locomotives;
- \$120,000,000 for railway cars;
- \$140,000,000 for merchant ships;
- \$100,000,000 for metal working machinery;
- \$100,000,000 for mining machinery;
- \$150,000,000 for machine tools;
- \$90,000,000 for harbor craft and fishing vessels.

Whenever the President determines that these items are no longer necessary for the prosecution of the war, he may end the lend-lease shipments; nevertheless, he may thereafter continue to supply the goods enumerated in the agreement on a 20-year credit program, payable with interest at 2½ per cent a year.

"In other words," said Senator Taft in debate, "we are making a loan to the French for postwar reconstruction, and that is the very purpose of the agreement."

But this whole program may be terminated at any time the President shall determine that the shipments do not serve American national defense. Then,

another section of the agreement provides:

"The United States agrees to deliver the programmed supplies to the French after this determination by the President, unless the President determines that it is not in our national interest to do so."

In net effect, the whole lend-lease system remains essentially a one-man operation, always subject to the discretion of the President. But the funds are available, agreements have been made with foreign nations, others are in process of negotiation. The probability is, therefore, that the whole fund will be spent on lend-lease, with most of it going to European reconstruction, rather than to war programs in the Pacific.

Now this nest-egg of \$21,500,000,000 in lend-lease funds is not the only export pool drawing on America's war restricted industrial capacity in direct competition with our own tremendous backlog of deferred replacements needs. We already have pledged \$1,300,000,000 to the United Nations Relief and Rehabilitation Administration for postwar relief. We are urged to contribute \$8,000,000,000 to the international funds contemplated in the Bretton Woods program. We already have increased the revolving fund of the Commodity Credit Corporation by \$2,000,000,000. Legislation now before Congress would increase the working capital of the Export-Import Bank to \$2,200,000,000.

When and if all these programs are consummated, the total of foreign gifts and credits available in the United States would build up to \$33,000,000,000!

Chairman Marriner S. Eccles, of the Federal Reserve Board, questions whether we could handle any such export volume without courting a runaway inflation. Far from making vast loans to foreign countries after the war, he suggested in his testimony before the Senate Banking Committee, we should limit exports, because for several years we will be unable to produce even the goods which our own people will want, in addition to the export volume which will be available through regular commercial channels from those countries which have built up enormous dollar balances during the war.

Mr. Eccles estimated that about \$10,000,000,000 of cash and earmarked gold owned by foreign nations and their nationals is now in the United States, ready to be spent as soon as shipping controls are relaxed. Another \$15,000,000,000 in foreign holdings ultimately will be released by the unfreezing of alien balances. These balances, plus the lend-lease funds and potential government credits, would make a total export buying pool of approximately \$58,000,000,000. It is not difficult to imagine what might happen in the way of inflation should this vast reservoir of foreign

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Let Workers Write the Pay Checks

By DONALD DESPAIN

PRODUCTION goes up while costs go down, the records show, when workers are given opportunity to put forth their best effort and to profit accordingly

AMERICA'S greatest resource is the initiative, intelligence, energy and ambition latent in every individual. But both the Government and industry have failed to develop this resource.

Industrial engineers have found that the average worker uses only 30 to 50 per cent of his total ability. If something could be done to stimulate the worker's will to produce more—if the effectiveness of our 12,000,000 war workers could be stepped up, say, 20 per cent—it would be the same as adding 2,400,000 workers to our labor force.

This can be done. How?

Simply by giving each worker an opportunity to profit in proportion to his own effort. Not just a little. Not by egging him on by unfair, dishonest speed-up methods. But by encouraging him—through the application of some sound, intelligent method—to produce to the utmost of his ability, and to profit in fatter pay checks.

The incentive wage is one such method.

The need for incentive is always present, but there is crying need for it now to help prevent what happened in the postwar period of World War I—rising costs and prices which killed consumer demand and resulted in unemployment.

The incentive wage is nothing new.

Today, however, the values of the incentive wage are being proved. The Baruch Manpower Report urged, among other measures, incentive wages for workers and incentive contracts for manufacturers. Charles E. Wilson, as vice chairman of the War Production Board, strongly supported the formula as a method for boosting production. This resulted in the creation of the Management Consultant Division of WPB with a staff of industrial engineers to help contractors and manufacturers install incentive wage plans.

The U. S. Senate subcommittee which investigated Industrial Relations and Employee Policies (1938-40) stated in its report:

"The committee finds that incentive compensation, in one form or another, has been and can be

eminently successful when properly established.

"We have found veritable industrial islands of peace, equity, efficiency and contentment, and likewise prosperity, dotting an otherwise relatively turbulent industrial map all the way across the continent. This fact is too significant to be ignored."

Says Edward G. Grace, president of

E. F. WALTON

"This incentive plan is the answer to my prayers. Now I'm in business for myself. It's all up to me"



Bethlehem Steel Corporation, which adopted the incentive wage more than 40 years ago and which still has the plan in effect:

More pay for more work

"If Bethlehem has accomplished anything, has grown, has prospered, has contributed to the national welfare, it has done so through the incentive system. It was Charles M. Schwab who so ably analyzed the whole idea, when after Bethlehem's first quarter century under the incentive program, he said: 'Do so much, and you get so much; do more and you get more; that is the essence of the system.'"

Under an incentive wage plan, Lincoln Electric Co. of Cleveland has achieved world fame as a high wage payer and a low-cost producer of welding equipment.

The company's dollar production per worker has increased 500 per cent, worker income has increased 300 per cent,

and production cost has decreased 67 per cent.

Selling prices of Lincoln products have been reduced over a period of 20 years to about one-fifth of what they used to be.

Sales have gone up from less than \$1,000,000 a year to \$30,000,000. The plant has experienced little turnover or intentional absenteeism, and has had no labor conflict. Moreover, Lincoln stockholders have never missed a dividend since the first one in 1918—and dividends have increased.

A heat-treater employed by a Detroit plant, in which a successful incentive plan is in operation, appeared as a witness at the Senate public hearings in Washington. The chairman first asked the usual question, "What company do you work for?" to which the worker quickly replied:

"I work for the best company in the world."

The senator asked, "How about turnover in your plant?" The worker seemed

puzzled and asked what he meant. The senator explained, "I mean, what is the number or percentage of men who start to work and then leave the company in a short time?"

Few workers quit their jobs

"OH," smiled the worker, "I'll tell you, senator, nobody quits our company unless he's carried out feet first."

An employer should feel proud of such testimony.

Said a lathe worker: "This new incentive plan is the answer to my prayers. Now I'm in business for myself. That machine is my business. It's all up to me. Sure, I work faster, but I feel better than I did working long hours. I turn out twice as much and put 25 per cent more in my pay check."

"By changing the tooling on a punch press," reports a skilled mechanic, "I cut out 60 per cent of the operations in the production cycle of fabricating a piece of sheet steel. Our gang don't need stop watches or motion studies under our incentive plan. Just watch production roll out."

Here is part of a letter from another worker: "For two years I work now as tool grinder. We make the carbide. They pay from 20 to 43 per cent incentive wage. You should see things go. We told bosses to get hell out of way. Had nine bosses, now one boss and one assistant for 300 in shop. That incentive gets things done."

Cut complaints and absences

ONE manufacturer, in commenting on the effectiveness of the wage incentive plan in his plant, says:

"There is a comparative absence of complaints and grievances filed by employees since we installed the plan. Instead of conflict, we now have a spirit of cooperation. This spirit is especially reflected in the drop in absenteeism and turnover. The men seem to be too interested in boosting production and their pay checks to be concerned about petty grievances and, of course, they know that absence from the job results in absence of dollars in the pay envelope."

By adopting wage incentive plans, 48 companies in the New York area, employing 14,800 workers and producing a wide variety of products, increased their production an average of 27.9 per cent above "standard" and 41.5 per cent above "past performance." The range of increase was from three per cent to 103, grouped as follows:

Number of Companies	Increase in Production above Past Performance
14	3 to 20%
11	21 to 40%
11	41 to 60%
6	61 to 80%
5	81 to 100%
1	over 100%

Reports from other concerns tell the same story. The results of incentive

(Continued on page 96)



To the committee chairman's question, the worker quickly replied, "I work for the best company in the world!"

Ballyhoo Runs Wild

By JUNIUS B. WOOD

MILLIONS of words and dollars gild the lily as the Washington publicity mill keeps star performers and ideas before the public

IF AMERICANS often are puzzled as to what their Government is doing, it is not because the Government is silent. Its multiple bureaus are constantly telling them. More than that, these bureaus, dipping deeply into public funds, are also eager to tell the people what to think.

The cost of this service to the taxpayers has mushroomed in recent years. An authoritative estimate for last year is that the public paid \$300,000,000 for government publicity, promotion, propaganda and information.

Bureau of the Budget figures show that, as late as 1889, the entire cost of Government, including debt services, was less than that.

The bureaus mask their promotion and propaganda activities behind a daily barrage of factual information, sentimental features and monotonous routine. The barrage of handouts is visible. The attack is more adroit. Though the sponsors who have fostered the abnor-



CHARLES DUNN

mal growth of the bureaus do not publicize their real objectives, one is not far astray when enumerating them as:

1. To divert public attention from taxes, official blunders and debt.
2. To train the people in obedience to officialdom by converting public opinion to the official viewpoints on domestic and international issues.
3. To glorify individual officials through publicity staffs which they appoint and for which the public pays.

Willing to undertake even more, the experts recently offered a program for controlling thought in liberated lands. Under their plan, publicity experts and psychologists in uniform will tell those people what has been happening in the outside world. Similar filtering of news is planned for China, the Philippines, Japan and even India. These same successors to Herr Goebbels' organization would also decide what the American public should hear about the countries for which their sons fought and died.

Fears already are expressed in Congress that increasing control of infor-

mation from the outside world—by the executive branches of Government—will lead to additional controls, eventually endangering the freedom of speech and press.

Even the most severe critics of the bumper crop of government publicity do not accuse its promoters of deliberately attempting to destroy the liberties of the people. In the present emergency, many of the publicity experts are serving as a patriotic duty and at considerable financial sacrifice.

Few Americans, even in Washington, have more than a vague idea of the hidden ramifications of the expensive, high-pressure ballyhoo directed at the home public. It is not as dictatorial as proposed for Europe. It does not flatly deny Americans the right to know what their Government is doing, though the mantle of secrecy is often stretched to cover embarrassing facts. The day-to-day method is to persuade by sheer persistency and volume.

A flood of offerings

HUNDREDS of daily mimeographed "releases" are sent to newspapers and the periodical press. Incidental to these is a generous offering of photographs, mostly free, for all who ask. Scripts are prepared for radio broadcasts and scenarios for movies. Outdoor advertising and posters are included. Then come the Government's own publications, one estimate being that out of 300,000,000 copies in one year, only 17,000,000 were required by law. Finally—where propaganda and pressure reaches full bloom—are the contacts of officials or employees with individuals and groups, the promotion expanding from there through broadcasts, public and private meetings or by personal visit or correspondence.

The publicity activities are centered generally in the executive branches of government though a few congressional committees and members do not overlook the possibilities. Starting with the executive office of the President, the government labyrinth has ten departments, 23 emergency war agencies and 26 independent agencies. These subdivide into 1,141 sections or divisions with an additional 1,454 field, regional or district offices scattered through the country.

All of these do not have publicity experts. Some departments or agencies have imposing publicity staffs with possibly 100 employees. Others have none or only a single employee who gives part of his or her time to producing for the god of publicity. When the groups and fractional years are added, the total is formidable, an estimated 150,000 employees for a year.

In addition the armed services are reported to have 24,000 publicity workers in the United States and twice as many overseas—the equivalent of six armored divisions advancing behind typewriters and duplicating machines.

(Continued on page 64)

Words in an Endless Barrage

HERE is a week's output of "news releases" placed on the table in the lobby of the National Press Club by government bureaus:

Source	Number of Releases	Words
Agriculture Department	29	10,372
*Board of War Communications	1	204
Commerce Department	2	480
*Committee on Fair Employment Practice	1	180
Federal Loan Agency	1	480
Federal Power Commission	9	2,326
Federal Reserve System	2	708
*Federal Security Agency	1	228
Federal Trade Commission	43	10,440
Federal Works Agency	1	450
*Foreign Economic Administration	2	362
Interior Department	1	2,304
*Interior Department	4	2,518
Justice Department	1	3,048
Labor Department	1	2,400
*Labor Department	1	1,056
*National Housing Agency	2	672
*National Selective Service	1	275
*National War Labor Board	15	12,293
Navy Department	19	6,684
*Office of Defense Transportation	6	2,012
*Office of Economic Stabilization	1	564
*Office of Price Administration	51	34,233
*Office of War Information	7	7,028
Senator Claude Pepper	1	360
*Petroleum Administration for War	8	3,592
Post Office Department	1	168
Reconstruction Finance Corporation	9	8,592
Senate Special Committee on Small Business	2	684
State Department	23	25,270
Treasury Department	8	3,282
*U. S. Maritime Commission	4	954
War Department	45	44,184
*War Manpower Commission	4	540
*War Production Board	62	23,948
War Refugee Board	1	2,640
*War Shipping Administration	6	1,604
TOTALS	376	217,135

This would be enough material to fill a 16-page newspaper for six days, leaving normal space for headlines, illustrations and advertising. These releases—though they consume tons of mimeograph paper and require the services of hundreds of writers—represent only one phase of Uncle Sam's \$300,000,000 homefront publicity program.

*"Cleared and released through facilities of OWI."

LOOK for an era of air transport after Japan is defeated, and for every phase of wholesaling and retailing to be modified or changed



UNITED AIR LINES

Skyways Become Buy Ways

By BENJAMIN H. NAMM

"AVIATION is everybody's business," a high Washington official recently asserted.

Probably that is taking in too much ground right now but it would certainly be accurate to say, "Everybody's business will be affected by aviation."

There is every indication that more and more business executives, in working out their tentative plans for the postwar, have aviation definitely in mind. Most of them are interested in learning how air transportation facilities and private flying will affect their business programs.

This is a natural attitude, because one of the first elements in business likely to find itself influenced by aviation is merchandising. Since merchandising is the motivating factor of all wholesaling and retailing and a determining factor in the growth of manufacturing, any changes which the use of air facilities may bring to merchandising practices is bound to be reflected—directly or indirectly—in the sales and marketing procedures of each individual business enterprise.

If the use of air transportation is to become general, products and their

packaging, sales and advertising policies, and even business office practices will have to be modified.

Several answers have been given to the question, "What is merchandising?" but my personal preference is for this:

"Merchandising consists of two simple acts. The first is to move goods to people, the second is to move people to goods."

Aviation is being tried out

HOW will an expanded air transportation system move goods to people?

In dealing with futures, the element of the unknown presents many hazards to constructive planning. The actual use of air transportation for extensive movement of goods is only now being worked out through the stepped-up needs of the military services. Before the war, the use of air facilities was too limited to establish conclusive precedents.

Who, in canal boat days, could have pictured the railroads taming vast distances, making accessible thousands of communities, and stimulating the growth of cities in the West, North and South? Who, for that matter, in horse

and buggy times, could have foreseen the changes the automobile would bring in business?

So, in attempting to describe how air transportation will be able to move more goods to people, we can only approach the subject from the angle of our earlier experience with other forms of transport. Doubtless many surprises are in store which are impossible to anticipate now.

But some things are obvious:

First, it is apparent that, in some types of merchandising, use of air facilities should cut costs and probably add to profits.

Consider inventories. When merchandise can be delivered anywhere in the United States overnight, as should be possible soon after peace returns, manufacturer, wholesaler and retailer all can carry small inventories. This may adversely affect storage warehouses, but other participants in the marketing scheme should also profit.

Goods in warehouses have no earning capacity. Neither do goods in transit. When a six-to-ten day trip across the continent can be speeded up to ten or

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GERMANY—Problem Prisoner of

V-E DAY hasn't stopped our worries about Germany. From the day when the Nazi Government declared war on the United States until now, there was no question about America's attitude toward Germany—she had to be defeated on her own soil. But from here on, our goal no longer is as simple as that.

Obviously, we can't just hand Germany back to the Germans. Nor do we want to retain for an indefinite future the responsibility for the German people and their country. We must find the right compromise between these two extremes. That is made no easier by the widespread physical devastation in the occupied country and the even more complete destruction of its political and social fabric.

It is made most difficult by the fact that we face—besides the German people—the British, French, Russians, and all the other European nations, each with its own notions about settling accounts with Germany.

We may not like some of their notions—any more than they like some of ours. Yet we know, as they do, that there can be no lasting peace unless we succeed in settling our conflicts by compromise. The American representatives in Germany will have to make those compromises, although they will try to stick as closely as possible to a line the American people would approve. If we want them to succeed, we must define that line here at home, through public opinion and congressional debate.

For centuries the basic purpose in occupying a defeated country has been the same: to make sure that the vanquished people will not soon again disturb the peace in a quest for revenge, and to exact from them reparation for the damage they have done or provoked.

Twice in a generation the German people have shown their willingness to go along with militant governments in sacrificing the world's peace and happiness for Germany's glory and power. Their ability to make war has been destroyed in combat but it could be restored within a generation.

To forestall that we must eradicate the basic elements of Germany's military organization, the general staff and universal military training. We must throttle the industries that turn out war equipment or can be converted to that task. We must overcome the indifference to war crimes and the lack of political understanding among the overwhelming number of an otherwise well-educated people.

As far as America is concerned, reparations rank low among the purposes of occupation. Our European allies, how-

TO CONTROL a defeated aggressor, to deprive her of the means of waging another war, and to keep her people from seeking revenge—that is the Allies' big job, complicated by the fact that each occupying nation has ideas of its own

ever, have been heavily hit. They cannot be expected to let the Germans restore their own country and forget about the ruins of all Europe. For a decade the Germans were willing to concentrate their energies on making war; they may just as well concentrate them for some time to come on repairing the damage they have done.

Germany laid waste

AS we look at the country now taken over by the Allies, the first conspicuous impression is that of physical destruction. Along the western and eastern fringes of Germany and at a number of interior points where heavy battles were fought, homes and factories have become rubbish and rubble. In addition, the British and American bombers have wiped out the core of key cities, many industrial plants, and the most important links of transportation. Few among Germany's one-hundred-odd cities with more than 50,000 people have escaped; some are almost completely laid waste; on the average, about half of the buildings in these cities—the factories, offices and homes of a third of the Germans—are unfit for use today.

In the midst of such destruction, millions of people have been moving around. The prisoners of war present the easiest problem—they will be sent home as quickly as transportation permits. So will many of the laborers imported by the Nazis from the countries they overran. But many of these people will have no place to go, no family to join, not enough strength to travel. They must be cared for in Germany through next winter. Finally, there are an estimated 6,000,000 Germans who were bombed out, or fled before the Allied armies; they also must be handled.

The mess is made complete by the fact that civil administration is not properly functioning. This can't be allowed to continue for long. It would preclude the restoration of order in the rest of Europe and it would endanger the safety and health of the armies of occupation.

To assure reasonable safety for the



er of the World By FRANZ B. WOLF



ALTHOUGH the precise boundaries of the occupation zones in Germany have not yet been officially announced, the dotted line shows the extent of Russia's zone as made public by her, and the sections represent an earlier conception of splitting up the Reich based on the position of the allied armies at the time of Germany's capitulation. To maintain law and protect the health of occupying forces, the United Nations must reestablish many of Germany's industries and provide for the movement of workers and goods between zones

doughboys must be the first aim of military government. Extensive police and intelligence services, therefore, are attached to the armies of occupation and the control commissions—to be used also in de-nazifying Germany and bringing her war criminals to court.

Yet, policing alone will not restore law and order. Replacement of the civil administration, which has completely broken down, must be the next step of the Allied authorities. Each of the Allied powers will employ its own specialists in military government to supervise administration in its zone. But Germans must be in actual charge; we would not want to tie up enough men to do the job ourselves and we could never get out unless we built up Germans to take over.

Selecting the right Germans will be as difficult as supervising them. For more than a dozen years, the Nazis have allowed no one who was not a willing follower of their policy to play a significant role in political life or business. We certainly don't want to perpetuate

Nazi control. Germans who have not been in office for years will have to be called upon. Inevitably, they will be less efficient than those who have been in charge, but to gain political security, some efficiency must be sacrificed.

Minimum of public services

ONCE an administration is set up, elementary community services—transportation, water, drainage, power and gas—must be restored. They need not reach the prewar standard, though. Many industries normally using those services will not be operating for a long time, if ever, and the population will have to get along on the minimum necessary for public health.

In the interest of the occupying armies and the rest of Europe, Germany must be protected against disease. Typhus now can barely be controlled. Thus, besides public services, medicines and soap are needed and German industries may be used to provide them.

Shelter for the armies will be taken

where it can be found and the German army's own barracks should help. But our army of occupation must be more widely dispersed than one in training and many civilian buildings also will be seized. The Germans will have to double up to make room for those whose homes we need and—more importantly—for the millions whose homes are devastated.

Yet, if we want order, we must also provide shelter for those who need it. German labor will be used for make-shift repairs and emergency housing projects may also be carried out. But, whatever shelter is available will be assigned under a strict priority system—first the armies, then the foreign slave workers, and last the Germans.

Food has been more plentiful for the Germans during the war than for almost every other nation except our own. They now will be restricted to a minimum diet—about a third of what our doughboys get. Even so, it is doubtful whether they can supply their own needs next winter.

"We may bring in food if the Germans start starving," Gen. Lucius D. Clay, head of the U. S. Group Control Commission, recently said. "I would not say the policy on this has been decided. The American Congress and the American people must make the decision."

Industry to work for Allies

WE may not care to get German industries going for Germany's sake, but some of them are essential to order and public health. We also want them to contribute as promptly as possible to the upkeep of the Allied armies and the reconstruction of liberated countries.

Coal—desperately needed all over Europe—is one of the few natural resources of which Germany has ample supplies, but most of the mines have been put out of operation. Miners already are being brought back and even some prisoners of war will be released to the pits.

As soon as there is coal, we will take care of those other industries which can contribute to our immediate purposes, if they can be restored without too much difficulty and are not a threat as potential arsenals. Food industries are a typical example, notably those operating on local or nearby sources of raw material.

The large German textile industry also should be set to work soon, even though it may be necessary for us to provide cotton and wool and take the products as payment. Textile mills—and many other consumer goods plants—have largely been saved from destruction because they are widely dispersed and weren't sought out as targets. And it so happens that the textile, food and beverage industries are among the most important in the prospective American zone of occupation.

All German industries will work first for the Army, second for minimum local needs and third for liberated coun-

(Continued on page 54)

Points to Keep in Mind

PROPERLY SOLVING the German problem is "the most important factor in making and keeping the peace," Bernard Baruch told the President in a recent memorandum. He raised these questions:

Is Germany to be occupied . . . for a certain period, then restored as a whole or dismembered?

How long is the occupation to last?

During the occupation how are movements of labor and trade between the different zones of occupation to be handled to permit desirable unified economic activity?

Are the United Nations going to ask for reparations that will require Germany to work at full tilt and thus become again a highly industrialized nation?

Mr. Baruch stressed three points to keep in mind:

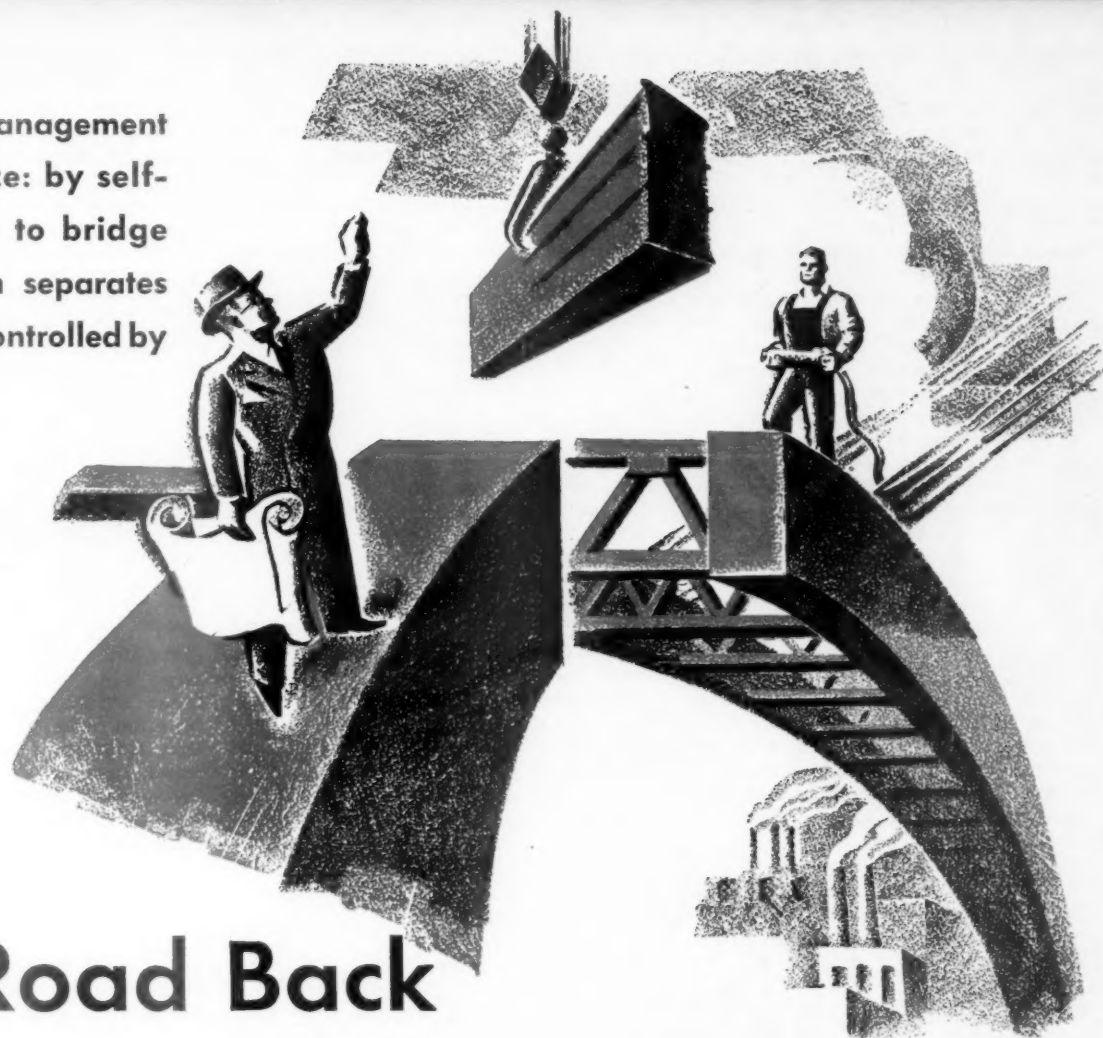
1. We must keep Germany—and this applies equally to Japan—from reestablishing herself as a great industrialized nation ready to make war.
2. We must keep Germany and Japan from reestablishing themselves in the exports of the world, thus denying them the wherewithal to make future war and, at the same time, expanding the industrial opportunities for the rest of the world.
3. We must protect our living standards and raise standards all over the world.

Real danger, he said, comes later:

"For at least five, and possibly seven, years after the peace, there will be an enormous overconsuming demand for everything. . . . It is at the end of this period that what is done regarding Germany and Japan will rise to plague—or bless—us."

German help. But the more training will be to double whose importantly nes are ust also need it. make-housing ut. But, will be system n slave for the for al-ur own. a mini-at our doubtful ir own Germans . Clay, l Com-not say ed. The American

LABOR and management face this choice: by self-determination to bridge the gap which separates them, or to be controlled by Government



RALPH PATTERSON

The Road Back to Labor Peace

By EDWARD S. COWDRICK

WITH the return of peace and the discard of many wartime controls, labor and management will stand at a fork in the road along which they have traveled together, although not always in harmony, for many years. Before them will lie two paths, one sloping invitingly downward into the morass of complete regimentation and government control, the other leading up a steep ascent to independence and self-determination.

In making a choice between these two courses, workers and employers will have to make up their minds about several specific questions:

Do they want to go back to adjusting mutual relationships themselves, or are they willing to have the Government move in permanently?

If they choose the former alternative, what changes in methods and machinery will be necessary to make the voluntary system work?

Will existing types of collective bargaining function successfully after the heavy hand of Government has been

lifted from the coat collars of the bargainners?

Answers to these questions will not be picked out of thin air. They will be conditioned by existing circumstances and by the sequence of events through which those circumstances were brought about. This means that, in attempting to chart a course for postwar labor relations, we should first find out where we are and how we got here.

Labor management in the modern sense dates from about the beginning of World War I when the rudimentary attempts at "welfare work," job training and regularized employment methods began to merge into an embryo profession called personnel administration. In this development, the joint relationships of workers and management were not overlooked. Numerous attempts were made to adjust those relationships on terms of cooperation and mutual confidence.

To this endeavor, industry, labor and government applied their best minds

and their most sincere motives. Mistakes were made, subserviency and paternalism sometimes crept in, workers' psychology occasionally was misjudged, but in the long run gratifying progress was made. Bosses and men began to understand each other better, confidence gradually was established, and areas of disagreement were narrowed.

Government stepped in

SOME establishments were unionized completely, some partially, some not at all, and the workers benefited by the competition of employers and unions to win their friendship. Plans for constructive cooperation between labor and management grew up in both unionized and non-unionized industries. Strikes were not prohibited, and some strikes actually occurred, but for the most part the labor scene was relatively calm.

A dozen years or more ago a significant change set in. Government moved away from the position of a neutral in labor disputes and became a participant, usually on the side of organized labor. A series of laws and regulations was issued, all supporting the theory that the normal relationship of employers and employees was that of conflict.

If, in a particular company, the workers and the boss did not want to fight

each other, it was taken as evidence that something was wrong. If the workers appeared to be contented it was argued that it must be because they were afraid to appear otherwise. A new offense, "company domination," was discovered, and suspicion pointed strongly toward any concern in which there was evidence of cooperation between management and employees.

The vast expansion of collective bargaining in the past decade took place under the influence of this conflict theory, and naturally the bargaining partook of the nature of the theory. It was collective bargaining in a prize ring, with the Government as referee; only in this ring the referee sometimes wore boxing gloves and soundly pummeled one contestant or the other—but usually not the one representing organized labor.

Another significant change was in the attitude of the labor relations directors who represented employers. In the earlier period many of these officials had looked upon themselves as neutrals, with the duty of promoting justice to both workers and management. With the ascendancy of the conflict theory some found themselves at serious disadvantage, forced to change not only their methods but their habits of

thought. Others more easily played the game according to the new rules, and some adapted themselves to changed conditions. They began to defend the employers' interests militantly, to adopt the labor leaders' own bargaining techniques, and to outshout, outsmart and outbluff their antagonists.

Thus, from the standpoint of the employer as well as from that of labor, the conflict theory has been made to work after a fashion, but at a high cost in lost confidence, lowered morale and reduced efficiency.

War brought more controls

THESE were the conditions in American labor relations when the approach and finally the outbreak of war made further government controls seem necessary. The principal labor unions made a no-strike pledge—not always too scrupulously observed—and in return the Government undertook to provide them with tribunals in which they could obtain most of their aims by theoretically amicable methods. Two innovations were adopted which in normal circumstances would have been considered revolutionary—compulsory arbitration and government-dictated labor contracts. Labor and management both

lost rights formerly considered vital.

With these changes there came a vast expansion of the field of collective bargaining into areas once considered exclusively under control of management, but at the same time the freedom of bargaining was sharply restricted. Employers were told that they must negotiate with unions on an almost unlimited number of subjects. Then both employers and unions often were given explicit directions as to what the outcome of a negotiation must be. Entire sections of labor contracts sometimes were written in government offices and sent out to the interested parties as "directives."

In this double process of expanding the area of collective bargaining and restricting the freedom of the bargainers, the Government relied mainly on the National War Labor Board and its subsidiary regional boards, panels and commissions. WLB was established soon after Pearl Harbor, with duties and authority somewhat more extensive than those of the earlier National Defense Mediation Board. Its principal function was to settle labor disputes that threatened to interfere with war production. Later it was given part of the responsibility for enforcing the governmental program of wage and salary stabilization.

Management is restricted

EARLY in its career, WLB began restricting the authority of management, already considerably narrowed by other government agencies and by labor union pressure. A familiar illustration concerns vacations for wage earners. Until a comparatively few years ago, employers who granted such vacations did so voluntarily, prescribed the terms themselves, and discontinued the practice whenever they thought it necessary or expedient. Now vacations are commonly subject to union negotiations, terms often are detailed in labor contracts, and an employer who ventured to terminate or deliberalize a vacation plan would be jerked up before WLB. The Board in fact has adopted a standard type of vacation which it will grant to almost any union on request.

A similar tendency is to be noted with respect to other so-called benefit plans—pensions, insurance, health service and all the rest. Unions are beginning to demand that these plans, even when financed wholly by the employer, shall be incorporated in labor contracts, with withdrawal or modification barred except by mutual consent.

To this idea WLB is not too inhospitable. Take the case of the Tide Water Associated Oil Company. In 1939 that corporation adopted a plan providing for sick leave, with pay graduated according to length of service. Later the union which holds collective bargaining rights for the employees concerned insisted that the plan be inserted in the labor contract so that future changes would not be left to the discretion of

(Continued on page 78)



Entire sections of labor contracts were written in government offices and sent out to the interested parties as "directives"

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TO LOOK at him now, you wouldn't think he works so hard—as most of us must in wartime.

But the real reason he *can* work hard is that he knows *when to relax*.

Sounds easy, doesn't it?

Yet in these days of strain, more and more people must work harder and use more energy. We should all remember that efficiency drops when fatigue begins. To do our patriotic best, we should, and must, know how to "take it easy" in off hours.

There's no secret to recognizing serious fatigue. Irritability... that "all-in" feeling... nagging headaches... sluggish thinking—all may mean it is time to relax.

Of course if such signs of weariness are occasional, instinct tells you to get a good night's sleep, and you're ready to go again. But if you are *chronically* tired and listless you should—

See your doctor, to make sure that some illness like tuberculosis or heart disease isn't the cause. Perhaps he will find some minor and readily corrected cause such as poor eyesight or hearing, bad teeth, foot trouble—even faulty posture. Any of these can place a strain on your system of which you may not even be aware.

Accumulate more energy, by eating adequate meals at *regular* intervals, including a hearty breakfast. After all, your body's source of useful energy is the food you eat.

Get more sleep—make a habit of getting to bed an hour earlier. Rest briefly during the day if you have a chance. Try and get plenty of fresh air.

Conserve your energy, by avoiding worry, tension, too fast a pace in work or recreation. Emotional control is important, for fear and anger burn up precious energy. Be calm—and above all

learn to relax. Let tense muscles go limp from time to time. It is wise to prevent mental fatigue by relaxing your mind with the type of recreation that revives you best.

You can do a better job and enjoy doing it... if you don't let fatigue tighten you up.

Write for Metropolitan's free booklet, "Fatigue—What To Do About That Tired Feeling."

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When is Distribution Too Expensive?

By FRANK BOURGHOLTZER

ECONOMY doesn't always pay. Spending more money at the proper points steps up sales and cuts the cost to the consumer

improvement of distribution would be hard to find. The cause of the improvement—mass production.

Exploration of the possibilities of mass production has only begun. It will be a major factor in postwar distribution, but there are other techniques. Intelligent advertising, plant decentralization, market research are a few obvious examples.

Fenton Turck, Jr., president of Turck, Hill & Co., chairman of the committee on distribution of the American Society of Mechanical Engineers, member of the committee on distribution of the United States Chamber of Commerce, has estimated that business must spend \$6,000,000,000 to build distribution in the first three postwar years.

He points out that business leadership invested more than \$10,000,000,000 in the 1920's to engineer its production meth-

BUSINESS realists are clearing away cobwebs induced by the cry that "Distribution Costs Must Be Cut."

That slogan confuses the issue, practical men say. What's really needed may be more money than ever spent on distribution.

Here's why:

While engineers have wrought miracles in the factory, turning out superior products *en masse* at rock-bottom cost, hardly anybody has so much as dusted off our distribution machinery. It's like mounting a 2,800 horsepower airplane engine on the surrey with the fringe on top.

Distribution has to be built up. It must be bigger and better than ever, if it's going to carry the postwar load. It's not surgery that distribution needs—it's vitamins.

Getting down to cases, the business man must remember that what he really wants is the best distribution his products can get. It will do him no good to mass-produce 2,000,000 units of a product at two-thirds the cost of producing 1,000,000, if he can only sell 1,000,000. He'll either go out of business or boost his price by the cost of the useless million.

He must find the best way to distribute his products—and he'll either pay what it costs to find out and then build the necessary distribution structure, or twiddle his thumbs over an empty cash register.

All business is concerned with only one thing—distributing goods or services to consumers. The important word is *distributing*: The more distributing there is, the more business there is. Production is nothing more than converting raw materials into shape, size or form for distribution.

Mass production, in fact, is only a part of distribution, but an important part. The automobile industry is an example. It began by selling high-priced automobiles to a few wealthy people. Today (barring the war) it sells low-priced, but better, automobiles to millions. A more startling



Found in Oil! Hundreds of New Ways to Process Better Goods, Cheaper!



Dumped into Pacific surf, packages protected by microcrystalline waxes float ashore without damage to the contents.



Products from petroleum are used in processing both the fabric body and rubber treads of truck tires like this.



New water-repellent bathing suits, curtains, drapes and upholstery are on their way, aided by new products from petroleum. Other Process Products for

the textile industry include special oils, waxes, and wax emulsions for processing woolens, worsteds, cottons, rayons and other fabrics of all kinds.

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Petroleum plays an important part in glass-making, too. A product from oil is widely used in molding processes.

ods. Results were dramatic. Gearing up distribution as a whole is the next job.

Mr. Turck wants no doubt about what he means by distribution:

"Distribution is the total of all activities involved in the advancement of goods from the producer to the consumer."

Without such a concept it is too easy to make costly blunders. Take a case which, though imaginary, could have happened and has happened to some business men.

A problem in alarm clocks

WE'LL call our hero Clarence Hossenpfeffer. Clarence is in the alarm clock business. He has been making clocks ever since he was a boy, and he knows the business from the mainspring up. For years he has been selling his clocks to four wholesalers who have serviced the retailers who finally get his clocks into the hands of the public. But the haunting phrase "cut distribution costs" hummed in the Hossenpfeffer ear. It prodded him to action.

Where to cut? Well, look at those wholesalers gobbling up ten per cent discounts. Lots of smart manufacturers are distributing direct to retailers. Why not Clarence Hossenpfeffer? No sooner said than done, unfortunately.

Right off the bat, Clarence discovered he needed four warehouses, which the wholesalers had provided. He needed a department to service the retailers. He needed salesmen.

Before long, he also discovered he needed a lot of capital to carry the credit advanced to retailers. In fact, he needed credit departments in each of the branch offices set up with his warehouses.

Clarence kept at it manfully. But eventually he was forced to admit to himself that he had made a mistake. True enough, he had cut his distribution costs ten per cent. But the balance sheets showed that running this new phase of his business was eating up more 10 per cents than he was turning out alarm clocks.

Clarence dictated four sugar-coated letters to his four former wholesalers.

This is not to say that some manufacturers don't get better distribution by doing their own wholesaling. It depends on the comparative wholesaling abilities of the manufacturer and wholesaler involved.

It does mean that the business man out to improve his distribution must understand that his entire enterprise is a distributive process. He must examine every phase of it to find what needs improving first. Then he must fit himself in with the total distribution picture.

Taking this long view has produced lots of big, prosperous businesses.

By way of illustration, consider the orange. Not so many years ago, an orange was regarded almost as a luxury. The only time anyone outside of the orange-growing sections ever saw an orange was during the Holidays. If you were a lucky youngster, you found one in the toe of your Christmas stocking. At other seasons, there was no great demand for oranges.

Then, the growers did something about it. They raised a large sum of money among themselves and spent it to improve their complete process of distribution. They not only advertised nationally to show the consumer how good and how wholesome oranges are and various ways in which oranges can be served, but through research they found better ways to grow, grade, ship, and store their product.

As a result, they improved their product, increased the demand for it, gained a wider market. Today, we take it for granted that oranges are obtainable throughout the country the year round at a much lower price than formerly. And the growers' net is larger than it used to be. This could not have been brought about merely by planting more orange groves. It required effort, efficiency, and expense.

Intelligent understanding of distribution shows up in nearly every case where costs to the user have been cut. Non-consumer goods are no exception, as an



Distribution has to be built up. It is not surgery that's needed—but vitamins

industrial wire brush manufacturer found out to his profit. This manufacturer had a nice enough little business selling wire brushes to other manufacturers. A customer would ask for a certain kind of brush, the brush manufacturer would supply it.

In an effort to improve distribution, however, the manufacturer laid out money to provide help for his customers. He sent out men to show customers how

to use his brushes more efficiently, how brush A would last twice as long on a certain polishing machine as brush B.

Plain suicide, some said. This man was spending money to tell his customers how to get by on fewer brushes.

It didn't turn out to be suicide, however. For one thing, he also showed customers how to save money by using brushes where no brushes had been used before. But the important result was the development of repeat customers who appreciated the company's advisers. Business increased—and the cost of selling to repeat customers was far less than the cost of digging up a new sale every time a brush was sold.

Everybody in business has the opportunity to tighten his belt and improve his own distribution. The little retailer, a distributor by anybody's definition, is certainly no exception.

Dr. Paul Nystrom, president of Limited Price Variety Stores Association and professor of marketing at Columbia University, says the small store owner's role in postwar distribution is "doing a better job of storekeeping than he ever did before."

"He must be better informed," Dr. Nystrom says, and he can become better informed by taking vocational training courses, attending meetings of his trade association.

Specifically, the little retailer can improve his displays, improve his selling technique, improve his choice of merchandise to meet the requirements of his particular customers.

Better display, for example, Dr. Nystrom points out, has repeatedly proved itself a tremendous booster of sales. One brand of tooth brushes shot up 75 per cent in sales when counter displays were improved.

Display is effective

NO advertising is so effective as this point-of-sale advertising, says Dr. Nystrom—in store windows, where people pass by, and on counters, where merchandise is for sale.

Wholesalers have a function in helping their retailer customers to a better appreciation of merchandise display, according to Dr. Nystrom. Continuing suggestions for display ideas should be passed on by wholesalers who can act as a clearing house for sales ideas developed by stores within their territory, applied for the benefit of all the retailers.

Wholesalers, too, can help the little retailer to improve the appearance of his store.

All these things will cost the retailer money but, if he does a good job, the money will come back in increased sales and bigger profits.

Up and down the line of business en-

terprise, getting better distribution after the war will be a matter of business life or death.

Here's how Q. Forrest Walker, economist of R. H. Macy & Co., envisions perfect distribution of a product—lowest cost distribution because it's the best:

"We will begin with the earliest stages of a product's creation. The plant layout and machinery are the best that money and engineering skill can create. The labor force is well trained and available in adequate numbers and labor relations assure efficient and uninterrupted production.

"The production organization is competent. The company is soundly financed.

"The product will fill a customer need; and the potential demand is large. It is properly identified and tagged with appropriate instructions for care and use. Moreover, it is soundly priced.

Well planned distribution

"THE selling plans are carefully drawn. Advertising promotion, dealer helps and other sales aids are shrewdly devised.

"The plans provide for skilled selection of the best channels of distribution. Individual dealers are chosen for their competency. Their continued interest and loyalty are cultivated. The consumer markets are pretested before final decisions.

"The selling staff is scientifically selected; salesmen are properly trained; and field work is planned to permit maximum concentration on intelligent selling. Expense control and marketing costs leave nothing to be desired.

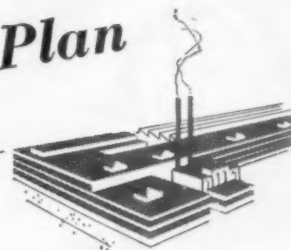
"The selling plan and quotas are so dependable that production can be planned for long periods; and the whole process of production and sale flows smoothly."

Obviously, the number one factor that



"I'd like to see the guy who slices the cheese. He works to closer tolerances than we do!"

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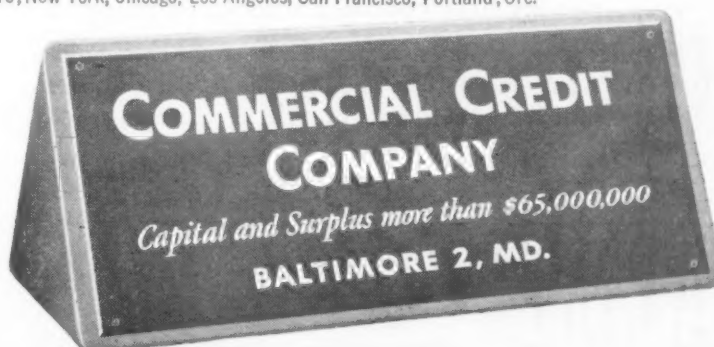
Instead, you will have funds at your disposal to use as needed under a continuing arrangement . . . which combines the features of permanent financing with the flexibility and low net cost of borrowing on a day-to-day basis.

Equally important, this plan will free you from the handicap of a short line of credit which barely meets your needs under normal conditions, and which may be tightened up or withdrawn when you need money most. Instead, you will have ample funds available to meet unusual situations, take advantage of opportunities, expand volume and increase profits.

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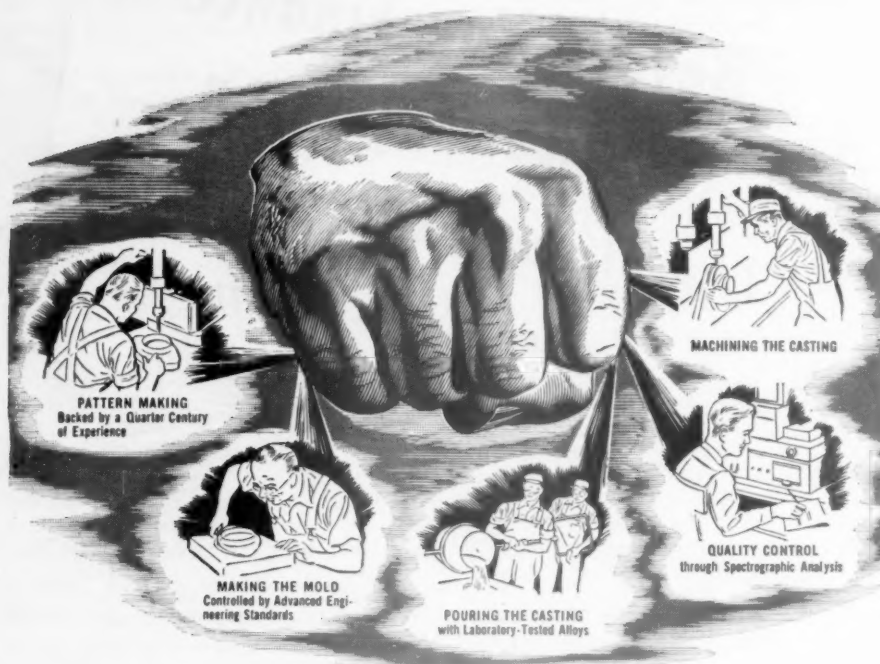
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decides how much distribution a product can get is its price.

One important criterion of distribution—the most important—is how cheaply the product is put into the hands of the consumer.

Any man who is smart enough to do the kind of job Forrest Walker has outlined will have cut his total distribution cost to the bone; not by hacking away with an axe, not by mutilating his system.

He'll have built a complex, satinsmooth system that knows exactly the best way to accomplish each function, and does it.

His advertising and marketing and other sales costs may take a higher percentage of his cost dollar than they did before, to make possible a still bigger cut in his production cost. Whether they do or not, by comprehending the total distribution picture, his total distribution cost will be less, his distribution system at its best—and that is what he's really after.



Wire Recorder

Recording on wire, known for many years but developed to a useful point during the present war, has now been adapted to convenient use in a home radio. This latest development is a small self-contained magazine which houses the wire on spools, and plugs into the radio cabinet as simply as slipping a pack of cigarettes into a pocket. Previous methods left the wire subject to kinkage and breakage when handled.

The magazine can be made to give uninterrupted recording and playback from 15 minutes to an hour or more. Recordings made on wire will last for an indefinite number of years without loss of fidelity or volume and can be played many times without affecting reproduction. When no longer needed, the recording can be erased magnetically and the wire used again. A possible development is anticipated in office dictating machines.



... The Best Machines Deserve the Best Service



It is only natural that users who selected Burroughs machines for fine construction and fine performance look to Burroughs for the finest mechanical service.

Years ago, in recognition of the fact that no machine—however superior in design and construction—can be any better than the mechanical service provided for it, Burroughs formulated a realistic service policy: *The best machines deserve the best service.*

The result is today's highly-trained, experienced service organization, whose intimate knowledge of Burroughs construction, adjustment and operation is helping more users than ever before to keep their Burroughs machines at peak operating efficiency.

Burroughs service is available to the user under either of two plans: (1) a Burroughs Service Agreement at a predetermined, moderate annual cost; or (2) service when requested, at a moderate charge for each service as rendered. All work is guaranteed by Burroughs.

In these times—when good service is so very important and generally most difficult to get—Burroughs mechanical service is unequalled for efficiency and dependability.

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IN MACHINES
IN COUNSEL
IN SERVICE

Free-Lance Tax Informers

By PAUL D. GREEN

TREASURY officials follow through on every tax evasion tip that rings true and make it pay for all concerned

IN WASHINGTON recently, the Treasury Department found a meat wholesaler who for some time had been selling 250,000 pounds of meat a week to 175 dealers and charging six to eight cents a pound above ceiling prices. In his operation, he had "overlooked" reporting his full income to the Government.

In 1944 alone, says Secretary of the Treasury Morgenthau, this man paid an estimated \$400,000 less than he should have paid in income taxes. The Treasury will now collect from him—and has plans for ferreting out others of his kind.

The majority of American citizens are honest in their dealings with the Government. But a relatively few are not. Treasury officials figure that, with enough investigators on the job, it will be able to force war profiteers to surrender at least \$1,000,000,000 in unpaid taxes.

Secretary Morgenthau has announced that he would ask Congress for \$30,000,000 to \$50,000,000 to hire 10,000 new employees to investigate tax chiselers. President Truman has approved the program and states that the Civil Service Commission will station its recruiting agents at army discharge centers to enlist ex-soldiers for the work.

Like a well-organized police force, the Treasury Department will continue to use the help of the small, unheralded group of volunteer informers who, for reasons ranging from patriotism to revenge, report to the officials cases of tax evasion.

Since our Government began, one or more agencies have been authorized to pay fees to persons directing Uncle Sam's attention to money due and unpaid—customs duties, alcohol taxes and, since 1913, income taxes.

Informers help collections

THERE has always been enough unsolicited informer activity to make this practice worth while. In the ten fiscal years, ended June 30, 1944, the Bureau of Internal Revenue collected \$20,577,432 in income taxes as a direct result of

informers' tips. A comparatively small amount compared to the daily war bill of \$250,000,000 but enough to pay for an aircraft carrier.

In that same period, BIR paid \$655,360 in rewards "for services rendered" by its free-lance tax collectors.

In the fiscal year ended July 31, 1944, BIR paid rewards totaling \$77,209 to 65 informants who got from \$6.93 to \$17,000 for their tips. Joseph D. Nunan, Commissioner of Internal Revenue, has announced. For this sum the Treasury was enriched by more than \$2,500,000. In addition, the Bureau collected \$46,000,000 in additional taxes, fines and interest on cases involving fraud or evasion which it uncovered itself.

The informer who received the smallest fee earned \$108 for the Treasury, and the chap who pocketed the highest windfall helped turn back \$917,000. No sum is too small to ignore, if the case is good and, often enough, the tipsters' net snares social outcasts—racketeers, gamblers, black marketers and grafting politicians.

A poor loser in a bookie mill turned in its mentor who had to pay \$1,000. For this the bad horse picker got back \$40 from the Government.

Another fellow in Chicago took a beating in the policy racket, reported the ring leaders and made \$20,000 for himself and \$500,000 for the Treasury. One of the many counts against a grafting political regime some years ago was a tax evasion charge which stuck for

\$20,000 and earned \$1,500 for a minor politico who had been left unappeased.

Last year was not a banner year either in rewards paid or in frauds tracked down, despite the heavy tax collections. Elmer L. Irey, for 25 years Chief of the Intelligence Unit of BIR and now coordinator of all treasury enforcement agencies, explains this anomaly.

"Experience shows us," he told me, "that when times are good people are less inclined to make an extra dollar by reporting their friends or associates as tax evaders. In periods of financial scarcity, people are more willing to make a few dollars by reporting individuals or firms who are enjoying prosperity."

Proved higher incomes

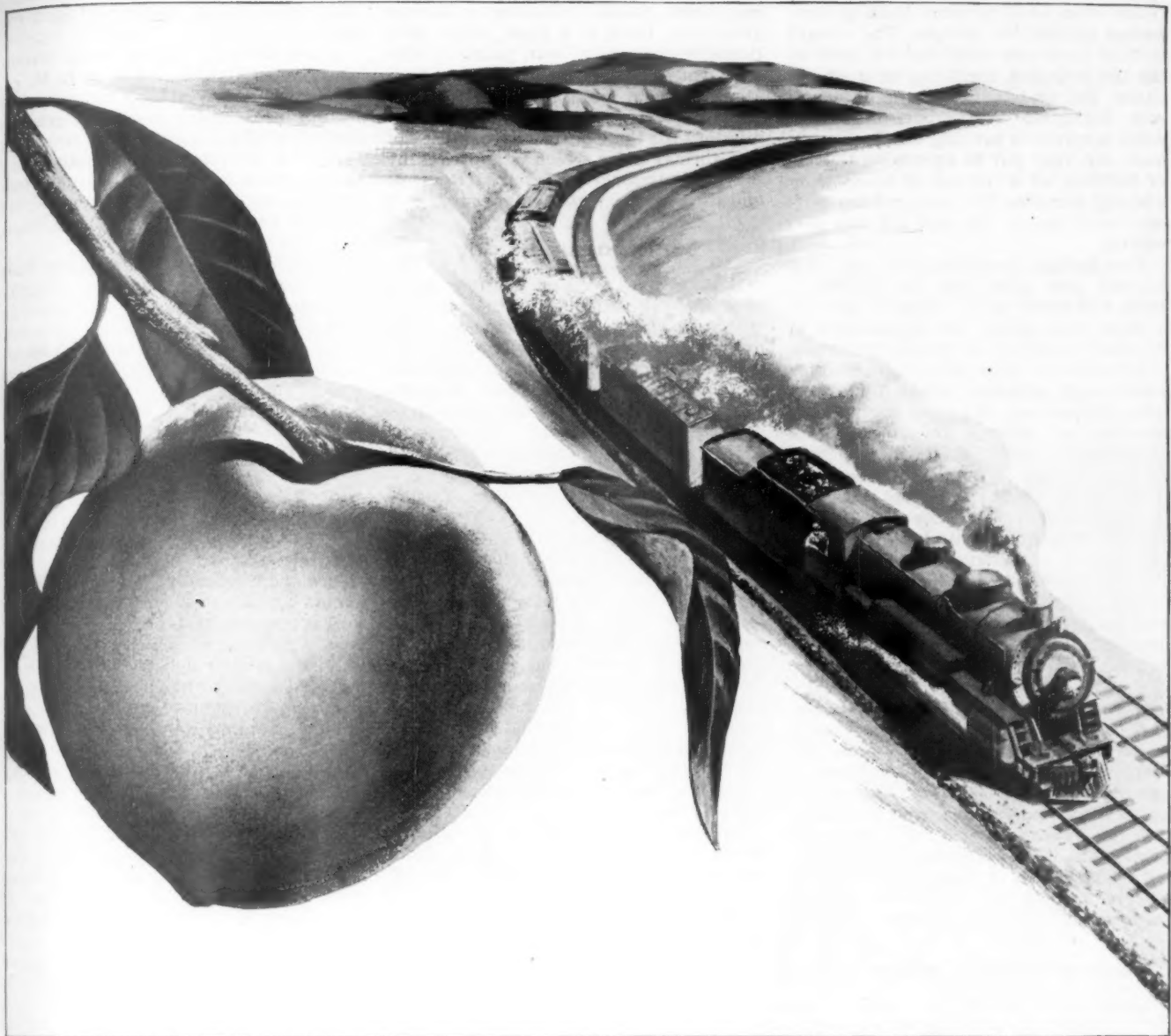
MR. IREY is famed for sending Al Capone and Nucky Johnson of Atlantic City to the federal penitentiary under the income tax laws when criminal actions proved inadequate.

In addition to exploring their sources of income, Mr. Irey had his agents compile detailed accounts of their expenditures—living expenses, clothes, pleasure, traveling, even charities. By working backwards, Mr. Irey proved that these men were spending far more annually than they reported as income. His cases stuck.

The highest tax collection ever made as a result of a tip, recalls Mr. Irey, was \$2,643,219 in taxes and interest from a



The tax evader can gain leniency but only by revealing his "oversight" before Uncle Sam gets on to him



Peaches and Steam

In one summer month the states served by the Southern Railway System ship more than 3,000 carloads of luscious, sun-sweetened peaches over our lines. That's a lot of peaches!

And it takes a lot of steam . . . locomotive steam . . . and a lot of oil for our powerful Diesel freight locomotives . . . to move this highly perishable crop to market.

But the South has what it takes to produce things on a big scale. Not only peaches but also minerals, lumber, textiles, munitions,

ships, plastics, scores of farm products, naval stores, and an infinite variety of other goods.

What's more, the South has what it takes to get its products to market efficiently and economically . . . a dependable, all-weather transportation system...the 8,000-mile Southern Railway System that "Serves the South."

Look Ahead...Look South!...for a "peach" of an opportunity.

Ernest E. Harris
President



SOUTHERN RAILWAY SYSTEM

The Southern Serves the South

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fellow who used personal holding companies to hide his income. The reward in this case was only one per cent of the tax collected, excluding interest, because the assistance of the informer was negligible in comparison to the work involved in proving the Treasury's case. Mr. Irey put 40 agents on the job of building up a full set of books from sketchy records. The case ran for several years before the final bill was presented.

The highest individual fee or commission ever paid was for \$79,999 in 1940, and went to four bookkeepers of a large firm which hid its assets and profits in a group of foreign branches.

Information regarding suspected or known tax evaders comes by letter, wire, telephone or in person to the Commissioner of Internal Revenue or Chief of its Intelligence Unit in Washington or to any one of the 64 District Collectors throughout the United States or to individual revenue or intelligence agents. Treasury agents investigate every tip that rings true. Revenue agents receive thousands of crank letters annually, mentioning the names of individuals or firms which the writer—usually "Anonymous"—wishes investigated.

Not all anonymous letters are fruitless, however. Mr. Irey recalls one big case several years ago which was started as the result of such a letter. An employee of a partnership—of which one member had died—was unhappy about his circumstances, and in a position to reveal where the remaining partner had mulcted the Government out of \$2,000,000 in taxes. Enforcement officers learned the identity of the informer, who collected \$20,000!

Many groundless accusations

PLAIN grudge letters, where the writer obviously is trying to bring discomfort to a boss or associate without basis of accusation, are quickly filed in the wastebasket. Unless the writer gives enough evidence that he has personal knowledge of the affairs or records of the party to which he is referring, his letter is ignored.

The first move is to check the last tax return of the individual or firm reported. That is usually in Washington or at the Revenue office in the district where the accused person lives. Then agents in the district of the person involved contact the informer to see if he or she will give further assistance, either in actually laying open the records or in explaining how the frauds were perpetrated.

The amount of commission paid to an informer is limited to ten per cent of the tax collected, but can be less. Average is about three per cent. Presumably the payee returns part of this when he pays his own income tax. The fee depends strictly on the value the Bureau places on the informer's assistance. The more help, the higher the informer's fee.

Informers are usually disgruntled

employees, jealous relatives or former associates. Once in a great while, particularly during the war, patriotic citizens lead Treasury men to tax evaders. Many of them make no claim for fees. All informers who expect to collect commissions for their information, must put in a formal claim which is approved by the Commissioner of Internal Revenue and the Secretary of the Treasury.

Some pay up quickly

SOME people accused of tax fraud save the expense of litigation and investigation and the embarrassment of unfavorable publicity by paying up immediately. In these cases, informers are paid off quickly. However, in cases like the biggest one settled last year—against an amusement concern—the time lapse was four years.

Tips run in bunches. Immediately following the recent publicity of the Treasury's new drive to collect unpaid taxes from black marketers, Collectors' offices were flooded with letters naming alleged evaders. One fellow sent in pages torn from telephone books on the assumption that at least one of the names was a tax evader. Another listed doctors and dentists only—perhaps he had a grudge against these professions. Another mailed in the names of race horse owners, gathered from racing sheets, on the belief that people of sporting blood are good subjects for investigation. Treasury agents ignore such patently opportunistic attempts.

Actually prominent gamblers or bookies usually conscientiously make out fairly true tax returns because they know they are subject to scrutiny. A couple of racketeers who broke this rule showed up soon after the latest drive

was begun and paid \$250,000 each voluntarily.

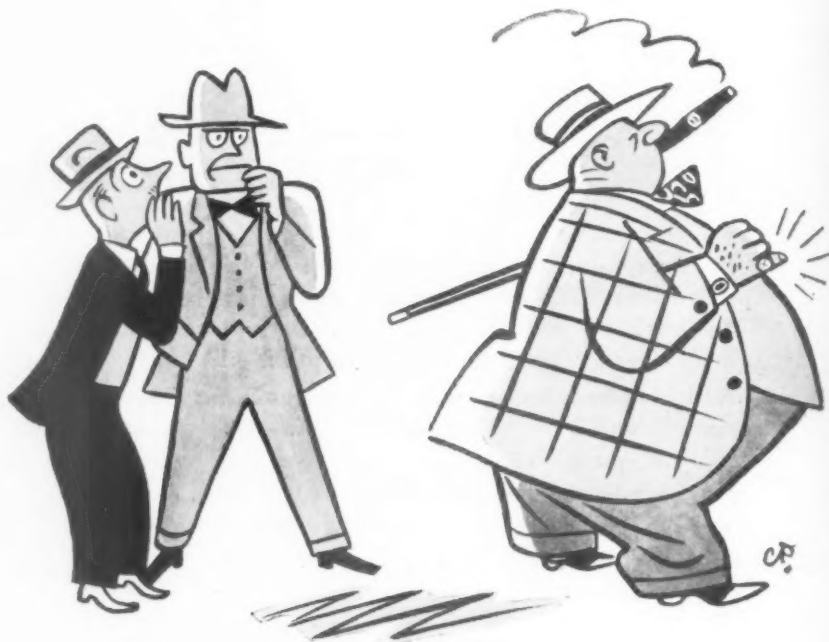
Uncle Sam is lenient with anyone who makes a clean breast of it. He encourages honesty among his taxpayers by not prosecuting them for criminal action if they voluntarily reveal an "error" or oversight in computing their return. Voluntary action, to gain leniency, must, however, come before the offender has knowledge has the Treasury is on to him.

Many informers are relatives of those they accuse: wives who suspect hubby is holding out on them or is conducting extra-curricular activities; ex-wives, short on alimony payments from apparently affluent ex-spouses; in-laws. Sons whose allowances have been cut have reported fathers.

"Tax expert" caught

A MOST unusual case of tax evading by proxy came to light last year which saw the sprouting of schools of so-called "tax experts" in barber shops, poolrooms and drug stores. One enterprising expert built up a nice business. He made up the returns in pencil, computed the correct amount of tax to be paid, got a check from his client for the amount—made payable to himself—and had the client sign a blank return.

Then he made up a completely different return for a smaller amount, which he forwarded to the Collector. He was tripped up when an Internal Revenue auditor detected a mathematical error and mailed the client a bill for the difference. The surprised taxpayer had actually paid in more than was being claimed, but Uncle Sam never got it. The expert was indicted, pleaded guilty, and is now awaiting sentence.



The Treasury welcomes the efforts of the citizen who is ready to help the Government collect taxes

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PAPER PACKS A WAR PUNCH—DON'T WASTE IT!

TRADE
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The Cost of Bad Boys

By JOHN CARLYLE

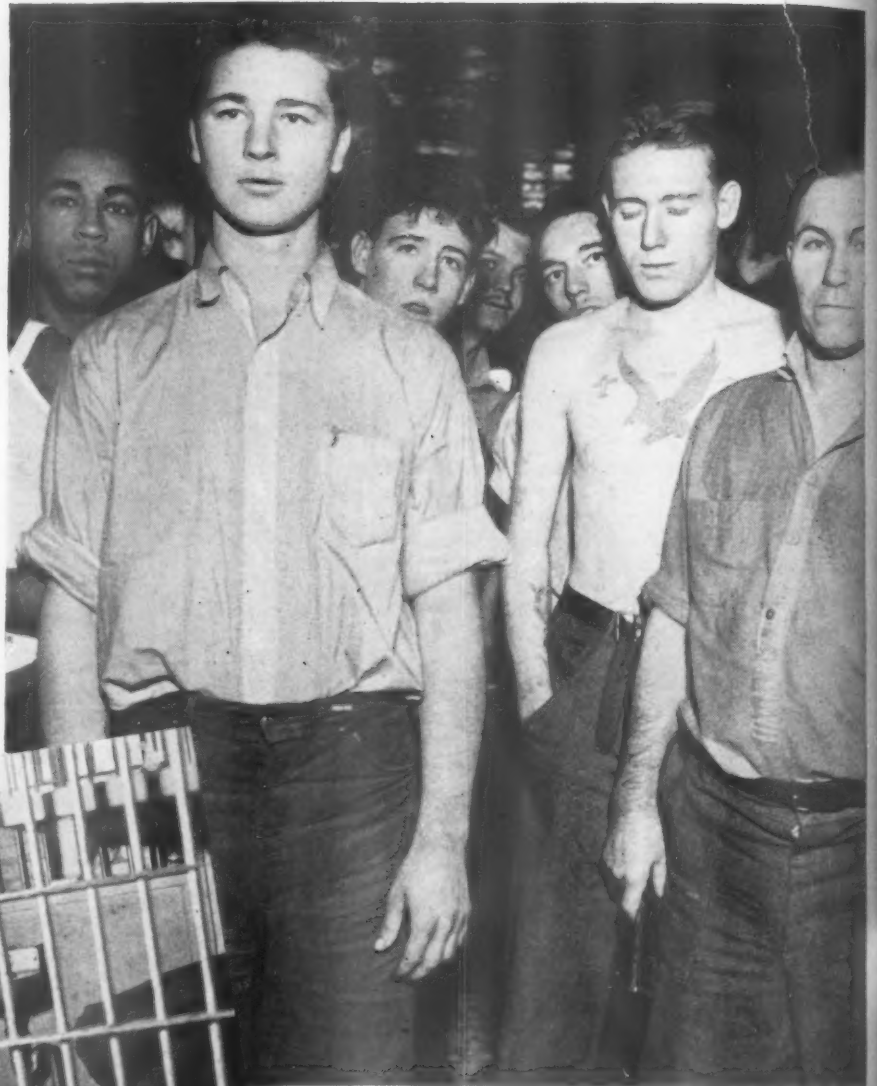
YOUR local jail may not be a crime breeder but you owe it to yourself at least to drop around and take a look

IF I were a business man . . .

More specifically . . .

If I were a member of a local chamber of commerce, or the Rotarians, or Kiwanis, or the Lions Club, or any of the other service organizations that have been so active for the public good. . .

I'd go to jail tomorrow morning. Early. Before the jailer had time to tell the trustees to clean up. If he said he would not let me in I would telephone the sheriff. By that time I would be mad enough to get some of my friends to back me in my telephoning. Then I would call on the district attorney, and my friends and I would shuffle our feet in his outer office until he broke down and let us in. If we were still blocked



FEDERAL BUREAU OF PRISONS

Let a decent boy get into a degrading jail and the chances are he will become an enemy of society



Most of the jails in this country are disease-infected, bug-infested, dirt-encrusted horrors

out I would make a 50-cent pot and telephone the governor.

If we were still barred out of jail I would play my trump:

I'd call in the women.

Because the mathematical chances are 3,156 to six that the jail is not fit to keep a human being in. The odds are a little better if the human being is not a boy—possibly an innocent boy, perhaps a boy who is merely mischievous—maybe a boy who is as fine and decent as your own son, but a stranger in town and broke and hungry and friendless.

In that case the odds are only 2,488 to six that the jail is as clean as a pigpen, inspections by the Federal Bureau of Prisons reveal.

It is in these 2,488 jails throughout the country.

Why Uncle Sam is ahead more than **6 MILLION DOLLARS** **A DAY**

BALANCE SHEET

In the other World War

The railroads, in 1918, performed 405 billion ton-miles of freight service.

Railroads performed 42 billion miles of passenger service in 1918.

Freight rates were raised about 25%.

The government took over the operation of the railroads.

Deficits resulting from Federal operation cost the taxpayers 2 million dollars a day.

In this World War

The railroads, in 1943, performed 727 billion ton-miles of freight service, 737 billion in 1944.

Railroads performed 87 billion miles of passenger service in 1943 and 95 billion in 1944.

Freight rates remain substantially the same as they were prior to the war.

The railroads have remained under their own management.

The railroads are paying Federal taxes at the rate of more than 4 million dollars a day — to say nothing of their state and local taxes.



**ASSOCIATION OF
AMERICAN RAILROADS**

All United for Victory

that bad boys are made. Not all of them are made in the 2,488 jails, of course. Or in the other jails that make up a total of 3,156 American jails. Some of the boys are bad to begin with. Every one of them, however, is worse when he comes out than he was originally.

The bad boy is at his worst when he is 17 years old. The FBI publishes a report twice a year on the prevalence of crime in the United States. It shows that each year 1,393,655 major crimes are reported to local police in this country. That is at the rate of 158 an hour. Other major crimes are not reported, for a variety of reasons. The figures quoted are from authorities in only 1,078 towns and cities with a population of 62,726,936. Some communities did not report in 1944. The crimes in rural areas are dealt with under another heading. An agent of the FBI said:

"We think that when a boy has been institutionalized he is lost."

When he is institutionalized he has been moved on to the house of detention or the house of correction or the workhouse or whatever the institution may be called which is one step nearer the penitentiary. In the jail he has learned the rudiments of his future career as a criminal, if he had not learned them earlier. He has become a bad boy and is on his way to becoming a bad man. Not only that:

Boys are resentful

IF he has an atom of spunk he has become an enemy of society. This is the more certain if he was a decent boy when he was lodged in jail. He will not forgive a society that subjected him to the degradation which is common to more than two-thirds of our jails. John Dillinger was regarded in his neighborhood as a fairly good boy when he was first sent to jail. His career is well known to most of us. A movie has just been made of it, of which the climax is his death in a Chicago alley with an FBI slug through his head.

J. Edgar Hoover can provide from FBI files a long list of boys who were hardly more than mischievous when they first were sent to jail. No one can say what they cost the state before they were finally put away, or what it costs the state to guard against them during their periods of liberty. Directly and indirectly those costs come out of the pockets of the communities in which they were first lodged in jail.

That cost could at least be cut if the communities cleaned up their jails.

Most of the jails of this country are

disease-infected, bug-infested, dirt-enrusted horrors. The evidence for that sweeping charge is provided by the Federal Bureau of Prisons. The Bureau will lodge federal prisoners, either convicted or indicted and awaiting trial—and when necessary certain men and women held as witnesses in federal cases—often entirely innocent of any crime—only in jails which meet certain standards. They must be secure against escape, reasonable discipline must be enforced, they must be fairly clean, and the prisoners must be comparatively well fed. Now and then, for geographical reasons, the FBP accepts jails which do not meet these standards.

It has been forced to use one jail in which a boy was beaten to death by the kangaroo court. Three boys have been indicted for this crime. The kangaroo court is a device by which a sheriff saves the salaries of a certain number of keepers. In jails which are operated under the fee system the sheriff profits by a certain percentage of the meal cost.



FEDERAL BUREAU OF PRISONS

"If I were a business man, I'd be interested in a machine that is adding to my expenses"

A kangaroo court may fine a prisoner say \$10 for the infraction of a "court rule." This is worked out in many jails at ten cents a day.

James V. Bennett, director of the Federal Bureau of Prisons, has done his best to improve jail standards. But some sheriffs make more money by running a boardinghouse for county prisoners than they could by accepting federal

prisoners and living up to the Bureau's standards.

In one jail, used by the Bureau because it is the only one that can be used in that district, a boy was so abused by the kangaroo court that he hanged himself rather than suffer another "trial."

"There are no good jails"

IN another, a boy was beaten by the trustees although there is no record that he was guilty of any offense. After having been beaten he was released on "probation." The tales might be repeated. Two, at least, are of such a nature that they cannot be printed. Miss Nina Kinsella, Director Bennett's executive assistant, says:

"There are no good jails in the United States."

Miss Kinsella means 100 per cent good.

In some jails trustees beat the prisoners at will with clubs which appear to be shortened baseball bats—or in some instances with rubber truncheons.

In some jails, garbage from the day's meals is thrown into the corners of the halls. Floors are covered with encrusted slime. There are no bathing facilities. Toilets are stopped up and filth runs out on the floor. Blankets are literally glazed, so long it is since they have been washed.

Even if a prisoner is guilty as charged, no community has the moral right to feed him on greasy water and stale bread served in unwashed tin pans. Sometimes the pans are thrust through slits at the foot of the door. Unless the prisoner hurries the bugs will overrun his day's meal. Bedbugs, lice, cockroaches and rats are commonplaces. One FBP inspector reported:

"I saw a nice looking boy in a cell co-tenanted by four dirty, foul-mouthed men. He had clambered on the upper berth to get away from them."

"He had been there 30 days."

"No one knew on what charge. No one cared. He might be there yet."

Be honest with yourself. Can you blame the young-

sters if they come out of these places angry enough to kill?

Perhaps this kind of article does not belong in the pages of NATION'S BUSINESS, a magazine devoted to business developments and business problems. I think it does. It seems to me that if I were a business man I would have enough gumption to take a look at my local jail and see how the process of

The VISUAL FRONT

**DRAWS ATTENTION
...DRAWS BUSINESS**



The Visual Front makes capital of the fact that brightness, color and motion attract attention. It turns interest of passers-by to the services or merchandise you have to sell.

This recreation center by Architect Theodore Erbach, of Chicago, illustrates the point. The colorful Vitrolite Structural Glass and the openness of the front catch attention, stop passing traffic. People are drawn toward the clear glass, where the panoramic view of the bowling alleys impels people to come in and join the fun.

The business place looks easy to enter... for there is no visual barrier between sidewalk and

IDEA FOR RESTAURANT DESIGN. This suggestion for a bowling alley embodies many ideas equally suitable for a restaurant. Tables can be placed on the lower level, with a waiting lounge on the upper level. Note that the diagram shows a coffee shop at left and a cocktail lounge at right for additional profit-building units.

interior. The doors are clear Tuf-flex, the L-O-F Plate Glass that's tempered for extra strength.

Before you plan your next storefront, consider the many ways the permanent color of structural glass and the smartness and transparency of plate glass can be used to build sales. Send now for our illustrated book of Visual Front designs. It's packed with ideas. Write to Libbey-Owens-Ford Glass Co., 7575 Nicholas Bldg., Toledo 3, Ohio.



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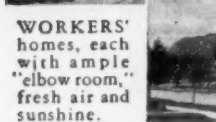
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AMERICA'S FINEST YEAR 'ROUND CLIMATE

making killers and thieves is progressing. I might not be interested in the souls of the boys. But I would be interested in a machine that is adding to my out-of-pocket expenses.

Cleaner jails and less crime

IF MY local jail can be cleaned up—and they can all be cleaned up—and managed with some degree of efficiency and humanity, it would not be so likely to turn out boys sullen, resentful, well trained in all the methods of crime and determined to get even.

That would mean less crime in my town. Less housebreaking, cellar-robbing and highway robbery; perhaps in the end it might mean a smaller police force would be necessary.

A young colored boy broke into a house in a town I know. He picked up a little money and a few trifles. When the woman of the house awakened and screamed, he stabbed her:

"I wasn't goin' to be sent back to that jail," he explained.

"Why don't you get a job? There's plenty of work to be had."

"Hell with that," he said. "I been getting along."

But the fact is that the business men of the United States seem not to be interested in the crime hatcheries of our jail system.

That statement should be explained and modified. No federal agency can invade a state and demand that its jails be put right except as the Bureau of Prisons does, and its position is only that it has men and women for whom it wishes to procure bed and board of the best available quality.

If a jailer prefers to run his jail in his own way he can tell the FBP to go jump in the lake. No jail governed by that kind of man will ever be cleaned up

except by the action of local pressure groups.

There may have been business groups attempting to clean up the jails. No one knows but it seems probable that such a group would ask the FBP what should be done and how. Individual business men have asked and acted here and there, but the only group request on record is from the taxpayers of New Hampshire. Miss Kinsella's report brought action.

Women's organizations have been at work. The New York state legislature enacted a law controlling the sending of juvenile delinquents to county jails.

Today the State's jails are rated as fairly good. Only 14 of the 72 are on the Prison Bureau's books as being below 50 per cent for order, cleanliness, sanitation, and food.

Boys can be helped

NO doubt the New York women were moved by humanitarian impulses, even if it is a little difficult to feel sorry for a sullen, dirty, furtive-eyed boy who lies and is defiant. Perhaps they also reasoned that enough such boys could be barred away from a future as criminals if they were treated like boys instead of worse than pigs.

No panacea is being offered here. No new social theory. Not so much as a flicker of an humanitarian impulse. If the states and cities of the United States wish to send their youth to jail while youth is still in the green-corn period, that is the business of the cities and states. But it is only fair play that the jails should be kept clean.

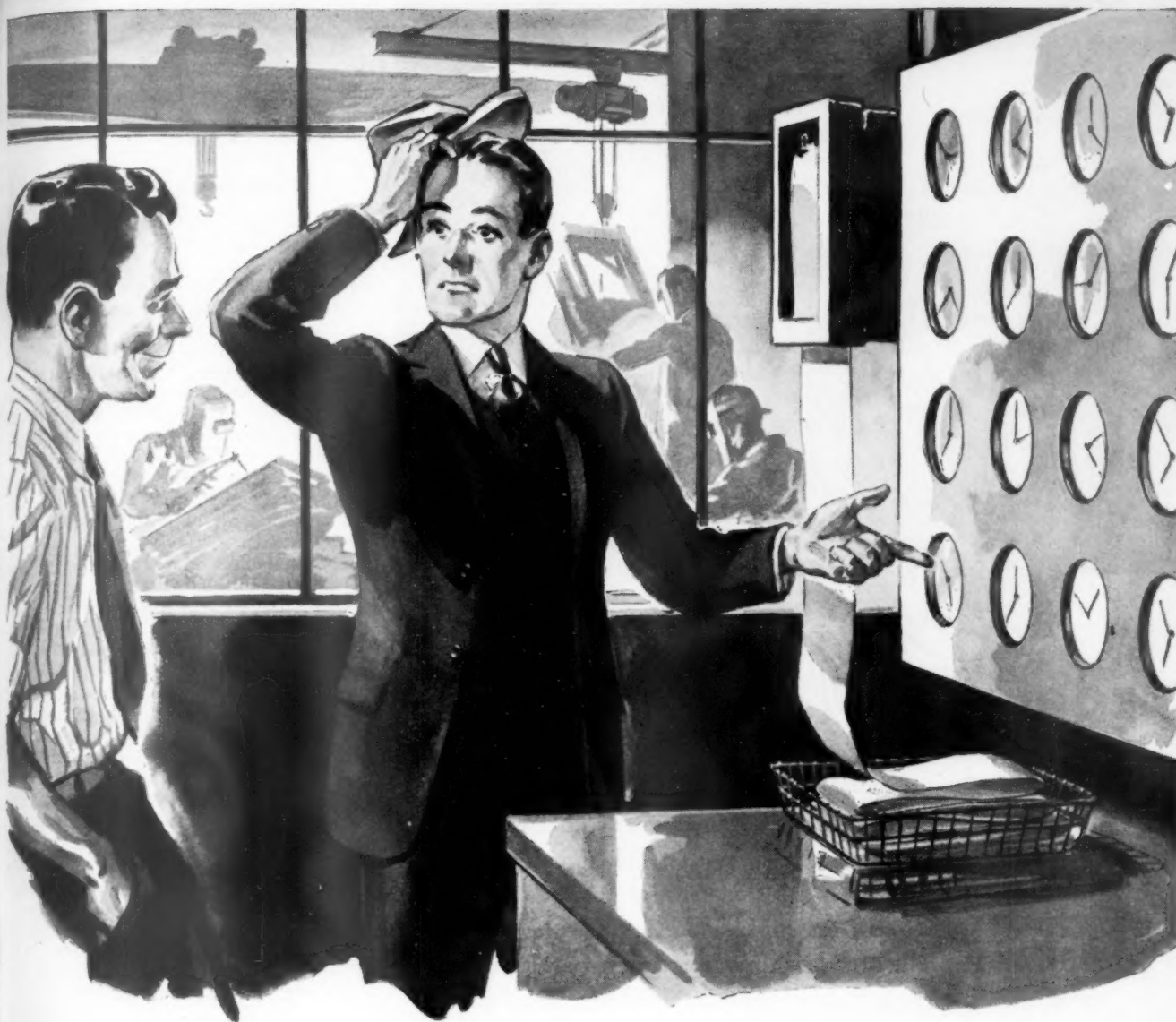
The FBP says that soap and water would cure many of the ills of our jails.

"When an inquiry is made into the condition of a jail the inquirer is told: "Sure, it's bad. But it's so damned



For breaking a "rule" a kangaroo court may fine a prisoner \$10 which in many jails he is forced to work out at 10 cents a day

FEDERAL BUREAU OF PRISONS



"WHAT! A clock with a *Conscience?*"

• Strange as it may seem, one could almost claim a conscience for *this* clock. It does far more than keep time. It sees that the efforts of the welding operator are justly rewarded. It protects him. At the same time, it protects the manufacturer by helping to maintain, or improve, the standard of his product.

Known as the "arc timer," this clock is the heart of the new P&H Production Welding Control System. By isolating "arc time"—the time actually spent in depositing weld metal—it exercises a four-way responsibility in controlling welding production, procedure, quality, and costs.

This modern Production Welding Control System offers both management and labor the most potent incentive yet known for better welding and better wages, while actually contributing to lower final cost of the product. As such, it is another forward step that enables men to produce more, earn more and enjoy a better standard of living.

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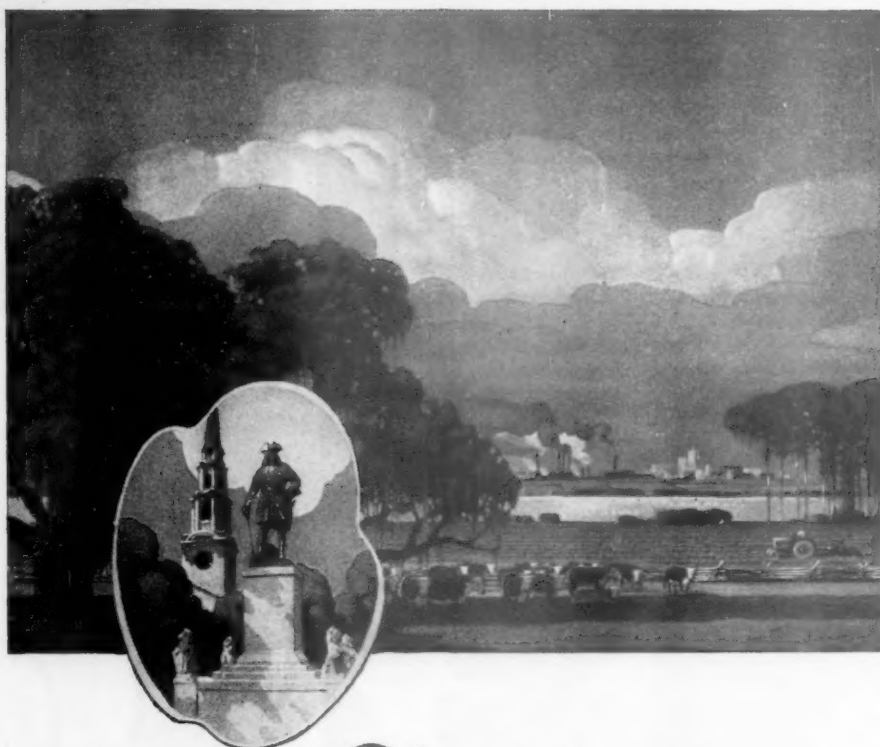
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Georgia—Empire State of the South—has made exceedingly rapid progress in the past generation. To her vast agricultural production, there have been added in recent years industries of great number and variety.

Largest state east of the Mississippi, Georgia's fertile soils and great store of natural resources hold promise for even wider diversification in agriculture, commerce and industry. Georgia is capable of supporting many times the state's present population. Here indeed is a land of opportunity.

The Seaboard Air Line Railway, a vital factor in Georgia's economic life, believes in the future of the state. The Seaboard is striving with all other Georgians for the attainment of the high-level economy commensurate with the rich resources of this great state.

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AIR LINE RAILWAY
THROUGH THE HEART OF THE SOUTH

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old we can't help ourselves, and the county can't afford a new one."

That's all poppycock, says the FBP. Of course new jails are needed. But many counties can get along with soap and water without building the new jails at this time.

Cleaning is not costly

SOAP and water and some new mops do not cost much. Police protection cost urban dwellers 19 cents more per person in 1944 than in '43, according to the Public Administration Clearing House of Chicago. This makes a per capita expenditure of \$4.76 in 994 cities.

The Wickersham committee some months ago estimated the over-all annual cost of crime at \$15,000,000,000. J. Edgar Hoover has often quoted this estimate.

"It's a guess," the FBI told me. "No one can know positively. But the annual cost of crime might reach \$20,000,000,000 today."

A few dollars more spent on soap and water would hardly be noticed.

"The jail was a stench pot," was the statement in an official report. "It was so dirty that the U. S. Marshal who accompanied me said afterward: 'I would have been actively sick if I could have found a place clean enough to be sick in.'"

Two paragraphs of description are too highly flavored for quotation.

"In one cell were three little white boys. One of them had been brought in 20 days before by railroad policemen. The boy's mother was dead and the father was doing his best to keep his family together. The boy had been trying to do his best by salvaging bits of coal from the railroad tracks. Not from the cars. State's attorney said:

"I'll be damned if I'll prosecute this boy."

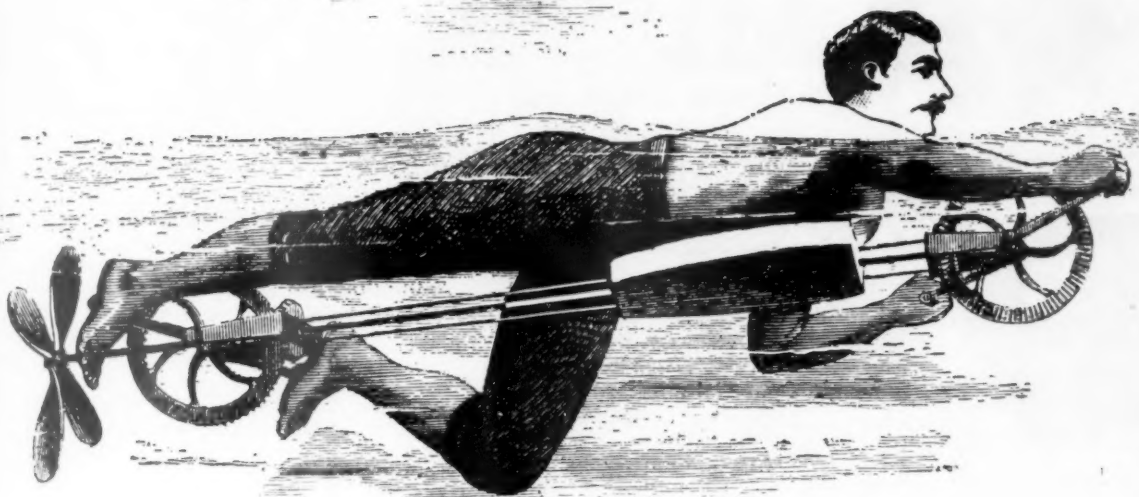
When a boy stays in jail

"HE told the Department of Welfare to return the child to his home. But nothing had been done about it. Every day the child stayed in jail meant more money for the sheriff. Think what 20 days in jail meant—in a space six by seven feet, with no bed except a filthy black pallet and as filthy a blanket; with two meals a day, one of oatmeal with neither sugar nor milk, dry bread and black coffee, and the second of black coffee, boiled beans and dry bread—with little chance to bathe or fight off vermin."

If I'm ever on a jury before which that child is tried for murder I'll vote, "Not Guilty."

I wonder how much the annual output of criminals from that jail has cost the county? Members of the local Chamber of Commerce, Kiwanis, the Rotarians, the Lions and other service organizations made up of forceful, public-spirited, thoroughly kind and busy men might look into it.

And if your jail is clean, tell the world about the jailer.



Life-Saving Device, U. S. Pat. 222951, granted 1879. Patent description supplied upon request.

You-boat

You're the captain, the navigator, in fact, the whole crew . . . including the *engine*, too . . . on this "cruise" ship!

Devised for life-guards and long-distance swimmers, the inventor's plan, apparently, was to save them effort. A strange way to go about it, that's pretty clear. Neither good intentions nor complex gadgets can take the place of common sense.

We're all for common-sense methods of preparing payrolls, as well. The Comptometer Check-and-Pay-

roll Plan is based on just such thinking. It's the essence of simplicity, devoid of needless details. An "effort saver" that really does just what those words say!

Instead of endless posting, filing and paper-work, it requires merely a payroll check or a cash envelope. By eliminating cross-work forms, it assures greater safety . . . and gets checks to employees in *far quicker time*. You'll make full use of your present machines. Find it's more direct, more economical

and . . . easy to put into action.

Your nearest Comptometer Company representative can demonstrate these facts. Why not get in touch with him? The Comptometer, made only by Felt & Tarrant Manufacturing Company, Chicago, is sold exclusively by the Comptometer Company, 1712 N. Paulina Street, Chicago 22, Illinois.

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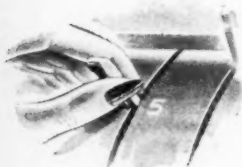
FOR MAIN STREET or the Big Town—for the one-man notion shop, or the busy restaurant or the large retail store—there'll be one or more Ohmer Registers built to do a bigger job better. Make your plans now!



Choose models ranging from small single-drawer, single-total machines to super-registers with as many as 20 money totals, 20 transaction counters, 8 cash drawers, receipt printer, sales slip certification printer, etc.



Choose lever-operated types with Ohmer Pre-indication or compulsory keyboard types—both with locked-in detailed audit sheet for fullest sales analysis. Pre-indication is an outstanding Ohmer feature.



Whatever your choice, you get these advantages: a locked-in printed record giving—model for model—complete data and fullest protection. Also compactness, flexibility and simplicity for better performance.



HOW CAN YOU BE SURE OF GETTING YOUR POST-WAR OHMER SOON? Make your plans so far ahead that your orders won't be swamped in the re-conversion buying rush. This doesn't necessarily involve firm orders now. Merely tell us *now* through your dealer or by letter what your requirements might be—and we'll undertake to shorten your wait. *Act now.*

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FARE REGISTERS & TAXIMETERS for transportation
TOOL CONTROL REGISTER SYSTEMS for industry

MANUFACTURERS OF REGISTERING EQUIPMENT SINCE 1898

Germany—Problem Prisoner of the World

(Continued from page 30)

tries. Production will be ruled by a branch of the Control Commission patterned somewhat after our own WPB.

Far more difficult problems are raised by the industries essential for armament and warfare—iron and steel, non-ferrous metals, heavy machinery, machine tools, precision instruments and chemicals. These industries have been more highly developed in Germany than in any country except the United States. Their destruction—and the transfer to allied countries of whatever plant equipment is left—would be one of the surest means of preventing any German rearmament for a long time.

Preventing new war plants

YET, the supplies of reconstruction must be produced largely by the same industries as the supplies of war and the most efficient way of getting reparations, no doubt, would be to restore the German plants and take their products. But how can we prevent these industries, once they are restored, from again being converted into arsenals after a decade or two? Though it has been suggested, it seems utterly unrealistic to expect a destruction of these properties after many years if they are first operated for the purpose of reparations.

Complete demolition and dispersal of all potential war plants, however, will not only affect the roots of the German economy but every country of Europe.

Whatever the fate of German industry may be, it will mean that a sizable chunk of world production and world markets will be reallocated. It just doesn't seem possible that any easy formula can solve so difficult a problem. Instead, a host of decisions will inevitably have to be made—and a multitude of compromises.

To prevent the Germans from playing one occupying power against the other—and the two against a third—the Yalta Agreement provided for the establishment of an Allied Control Commission charged with setting uniform policies. It's still uncertain, however, how much influence on the policy within the several zones of occupation the Commission will be able to exercise.

Yet, regardless of policy coordination, the Allies will have to rely on cooperation in many technical fields, such as restoring transportation, power supply, industrial production and distribution of major commodities. Germany just can't be split up over night.

Take coal, for example. France will control the Saar and Russia the Silesian and central German mining districts. The Ruhr, including the Continent's richest coal veins, may be under British control or under joint supervision of several Allies. There is no coal in the

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American zone. Obviously, we are vitally interested in an agreement on coal distribution and cannot allow each occupying power to use the output in its zone as it pleases.

No matter how much agreement may be reached on technical and policy questions, however, administration in each zone will inevitably be different from the others because each of the Allies approaches the job with a different viewpoint and background. It is for that very reason that zones had to be established to avoid the continuous friction under a joint administration.

The American military government, for instance, will not only aim at efficiency in handling the job but also at selling some part of the American way of life and of American ideas. It is hard to predict just how effective that sales job can possibly be but it is certain that it will have some influence on the Germans in our zone. The differences from zone to zone and notably those between the east and the west would inevitably assume major significance if the Allied Control Commission should fail to agree on basic policies.

Germany may be split

ALL Germans will find it hard to live up to the responsibility of making up their own minds on public affairs as the democratic countries will expect them to do in the end. But the Germans in the east would find that particularly hard and Russia won't ask them to do it. They may like life under a regime closely akin to Communism. Those in the west may be more capable of understanding the value of individual freedom and may have a better chance of waking up to the advantages of democracy. After a long period of occupation under separate policies, Germany may eventually find herself ready to split.

Partition developed as a result of an era of occupation may avoid the pitfall of fostering German nationalism and dissolve the danger of a strong and unified Germany. Yet, such a partition might also split Europe into an eastern camp dominated by Russia and a western fringe of smaller democratic countries.

If the development of so definite and dangerous a border is to be avoided, the Allied Control Commission must succeed in evolving substantially uniform policies of government for all zones of occupation. Obviously such uniformity can be obtained only as an integral part of an over-all policy of cooperation between the four powers.

To quote General Clay again: "... It is a question whether four nations can stick together and punish and control Germany. If we can't do this, what hope is there for the other things the United Nations are trying to do? ... If the people at home would realize that four nations working together to punish an aggressor nation means a lot to the future of the world, then we have some hopes for success in this job."



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When time means money, Air Express earns its weight in gold as thousands of companies, large and small, have learned.

For instance, a Midwest manufacturer must retool almost in a matter of hours or lose a contract for a new radio part. So he wires Connecticut for new tools via Air Express and has them in the morning. He pays \$45.15 Air Express charges, but makes over one thousand dollars on the contract he saves.

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250	\$1.04	\$1.25	\$1.57	\$2.63
500	\$1.11	\$1.52	\$2.19	\$4.38
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2500	\$1.68	\$4.20	\$8.40	\$21.00



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Write Today for interesting "Map of Post-war Town" picturing advantages of Air Express to community, business and industry. Air Express Division, Railway Express Agency, 230 Park Avenue, New York 17. Or ask for it at any Airline or Express office.

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Tulip Time in America

FROM the Levant—where they grew wild and still do—tulips were introduced into Holland in 1559. The blooms appealed to the flower-loving Dutch. In the years which followed, the demand for tulips swept the nation and prices rose to fantastic heights.

The highest recorded price for a single bulb was a modest \$70,000. A hungry sailor had the misfortune to eat a \$2,000 bulb which he mistook for an onion. In 1637 the boom had reached such proportions that the army had to be called out to restore order.

The boom turned out to be good advertising. It created a world demand for the flowers.

In 1935 Holland's 200 shippers exported a billion bulbs valued at \$30,000,000. Ordinary bulbs sold for about \$12 a thousand. Rare varieties brought as much as \$1,500 each. Before the war street cars in the tulip center of Haarlem had vases of cut tulips at every seat.

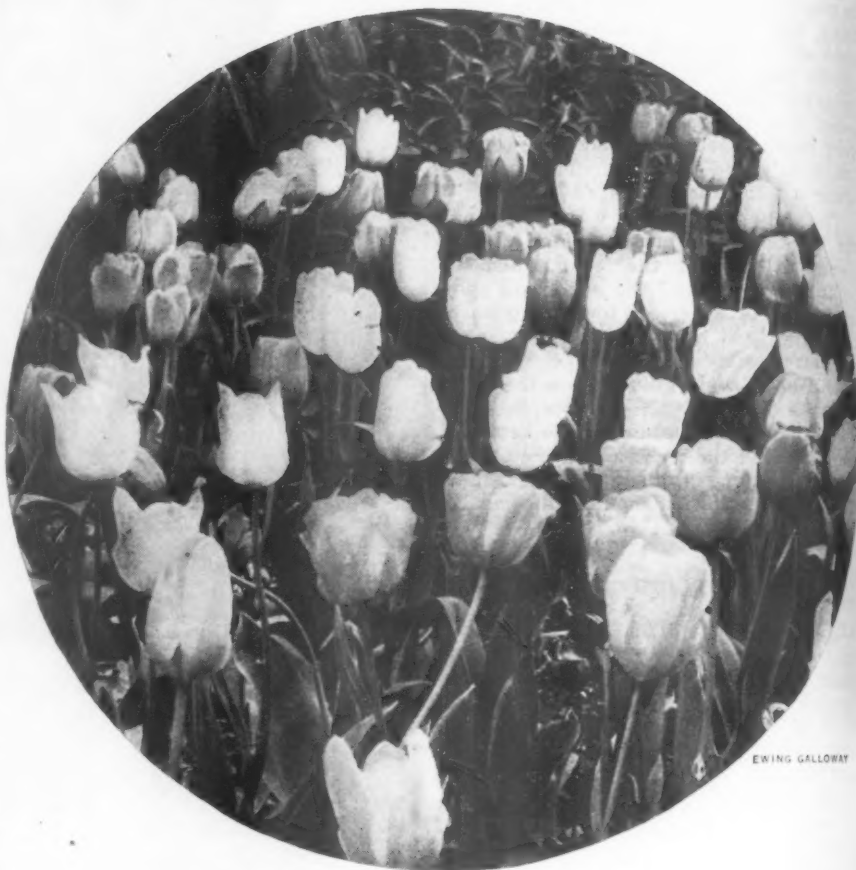
The war halted Dutch tulip exports overnight but the demand for them did not stop, especially in America. Big question: Could U. S. growers capture and hold this lucrative market in the absence of Dutch competition?

In Holland the bulbs had been planted and dug by hand by an army of skilled workers. The Dutch declared machinery was impractical because it resulted in too much damage and left too many bulbs in the ground. Yet only through mass production methods could the Americans hope to compete.

American mechanical genius was applied to the problem with telling results. New and improved machines for planting and harvesting were designed and built. Instead of planting the tulips by hand in small beds, the machines plant them with a minimum of labor in vast beds, half a mile long. Some 6,000,000 bulbs were thus produced in one season. But this supply, before Pearl Harbor, had to be augmented by more than 10,000,000 bulbs from England and 5,000,000 from Japan, the total representing no more than a sizable fraction of the market's needs.

The influx of English bulbs did not mean that England had suddenly developed a big bulb industry. The English, in order to obtain American currency, had ordered their growers to sell for export only, an order rescinded only this year. The British market is now absorbing all of the English output and is clamoring for more. We cannot send them any because we cannot begin to supply our own requirements. The U. S. market before the war absorbed 100,000,000 bulbs a year.

American tulip bulb production for 1943 did not exceed 25,000,000, most of them grown in the Pacific Northwest.



EWING GALLOWAY

The Dutch raised tulip bulbs by hand. America now raises them by machine—in beds half a mile long

The demand, moreover, is rapidly increasing. Millions of new postwar homeowners will enlarge the market for bulbs. The profit possibilities are great. A bulb which retails for 15c to 50c costs a nickel to raise from seed.

Dutch industry recovering

THOUGH thousands of Holland's bulb-raising acres have been flooded with salt water, the Dutch industry is already making a good start toward recovery. The Netherlands Information Bureau has announced that if transportation is available 55,000,000 pounds of bulbs could be exported this fall—18,000,000 pounds to the United States.

U. S. growers do not intend, however, to put the Dutch out of business. There's more than enough business for everybody and will be for many years. American growers, moreover, are big producers of other types of bulbs, including gladioli, hyacinths, daffodils and narcissi, the demand for which is also tremendous. We lead the world in quality gladioli, producing 20,000,000 bulbs a year, chiefly in Oregon.

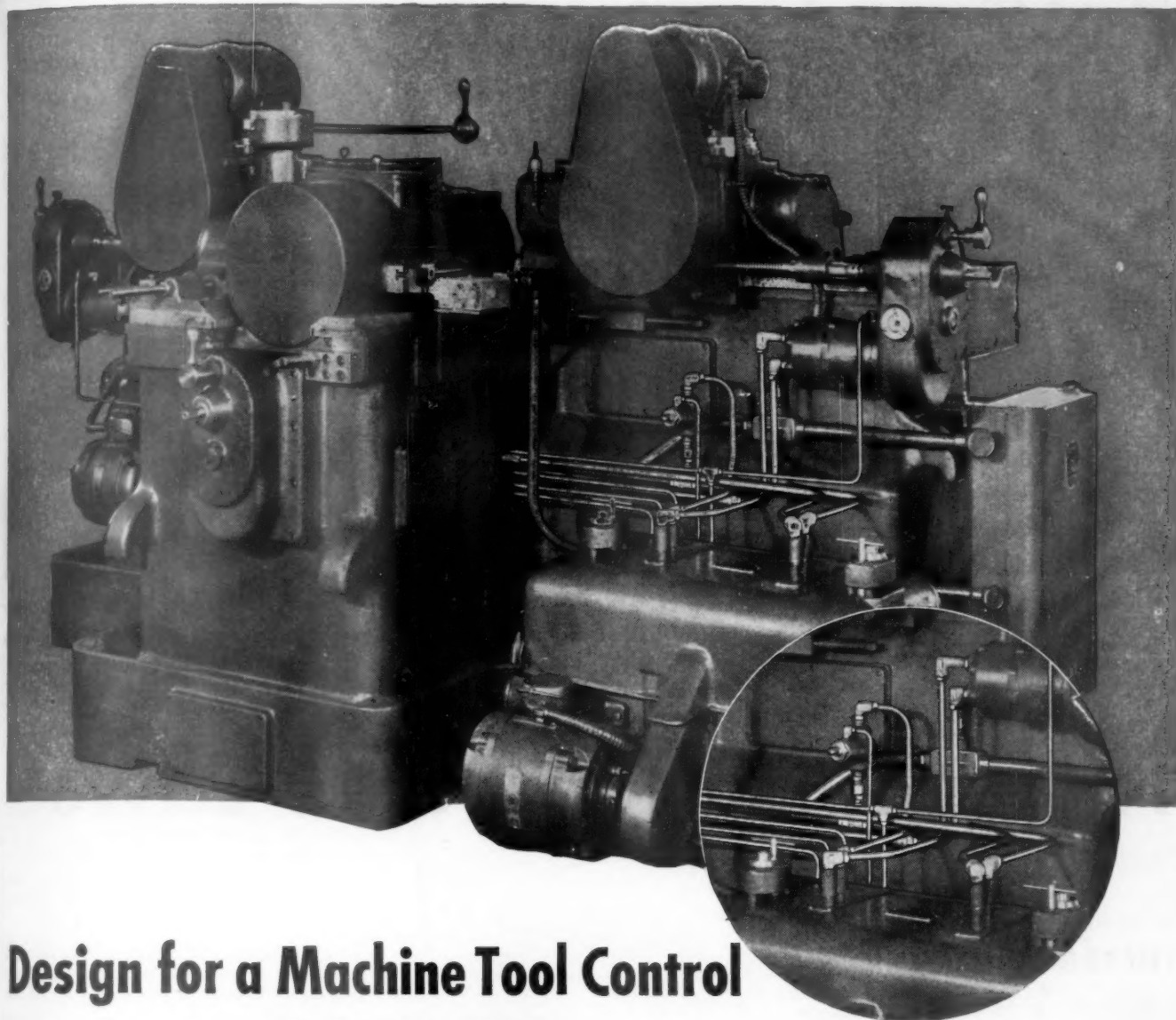
Many growers believe that the iris bulb industry (25,000,000 last year) holds out a better prospect than tulips. But much depends on public taste. A hundred years after the Holland boom, tulips went out of favor all over the world when Madame Pompadour decided she preferred hyacinths and they did not return to popularity until 40 years ago.

A third of the biggest American growers today are Hollanders who foresaw U. S. possibilities and established bulb farms here, after years of success in their own country. Most of them are now American citizens.

Domestic tulip production, while it has been given impetus by the war, has also been handicapped by it. The very fact that the war has placed such heavy demands on the American industry has in itself, paradoxically, tended to hold back production, for the secret of big bulb production is to withhold the smaller-sized bulbs, to build up stocks.

After the war, however, American bulbs will have the extra advantage of earlier marketing because of faster shipping.

—HAROLD S. KAHN



Design for a Machine Tool Control by **PARKER**

Consider this as an example of the many types of machine tools that are designed to use tubing systems for hydraulic control and for lubrication.

When a machine tool tubing installation is designed in conformance with sound Fluid Power Engineering principles it will:

- (1) Allow the closest practicable approach to perfect streamline flow which in turn will reduce to a minimum the capacity and pressure requirements on the power source and give a better response to control throughout the entire system.
- (2) Permit the efficient use of available space . . . no matter how cramped this space may

be . . . and still provide a system that allows unobstructed service and maintenance on all component units of the system.

- (3) Reduce the number of joints and connections to a minimum . . . each one tight, leakproof and able to withstand excessive abuse, vibration and pressure.

Parker valves, fittings and fabricated tubing—plus Parker Engineering—

will give you a simple, neat installation, easy to service, free from troubles, efficient and economical.

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Division manager conference. L. P. Dickie, Atlanta; D. Hodson Lewis, Dallas; Robert Belcher, New York; Donald Marcellus, Field Director; Ralph Bradford, General Manager of the Chamber; Jerry Pratt, Minneapolis; Clarence R. Miles, Chicago; and William E. Hammond, San Francisco

Help Yourself To Better Laws

By HERBERT COREY

THERE is something the constituent can do to help his congressman keep errors from creeping into national laws

CONGRESSMAN Clarence J. Brown of Ohio said he had heard some talk of a new idea. Might be nothing in it yet—probably just one of those conversational stances from which an experimental ball is batted into the air.

The idea is that each congressman would be more useful to his constituents if there were two of him from each district—even if it were necessary to siamese two districts.

One congressman would specialize in legislative matters, find out just what might be the inner meaning of the bills which have national significance.

"The immediate future of the country might be endangered by a mistake. The constituent would hold the congressman responsible if he helped make that mistake. Yet, as matters stand today, the congressman is frequently so busy with chores that he is sometimes



CHASE-STATLER

Howard Volgenau directs Governmental Affairs Department

neglectful of the legislative half of his position. If he is not informed on, and interested in, proposed legislation, he is not able to inform and interest his constituent. If neither the congressman nor the constituent know what is going on while a mistake is being processed into law, there is no way of stopping it."

The other of the twin congressmen would devote himself to chores. He would find out, as Congressman Crawford of Michigan is trying to find out,

why it is taking OPA four to five months to decide on prices American manufacturers may charge for items to be exported, although British manufacturers are already in the field with their goods for sale. The twin congressmen might share committee assignments, one getting national affairs, the other the local troubles.

The idea, Congressman Brown said, is foggy, vague and generally impractical at this moment. Still, something must be done before long or the relation of Congress to the folks back home may grow worse, and unless the executive is to take over more and more power, those relations must be tightened. If the congressman is to do well the job he is being paid to do, he and his constituent should be working partners.

Otherwise the congressman can accurately reflect the constituent's thinking only by chance. Nor can he place before the voter the facts on which he should base his opinion. Campaigns for election to Congress can become political maneuvers rather than an inquiry into the quality of the candidates' statesmanship. The appeal to the voter will be along parochial rather than national lines. The millions of dollars that a Power Authority can bring to a district will win more votes than a discussion

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of the policies that might avert a world war.

The man back home must be interested in a personal and intimate way with what his congressman is doing. In fact, he is interested now. Lots of people, said Mr. Brown, do not realize this. They say the most damfool things about the political apathy of the American people. They feel that our national affairs should be turned over to them—they prove this to their satisfaction, at least—because the voter won't play.

The trouble is that there is a block on the line. The original machinery is all right. The whole scheme of American government is, in Mr. Brown's opinion, the best that was ever put together. The Constitution is as good as its most fervent admirers ever said it was. The theory has been proven by practice. But the structure of government has grown so physically big that the voter and the legislator are no longer as closely associated as they were when they knew each other by their first names.

They knew their districts

MR. BROWN noted that humorists used to say that congressmen were baby-kissers. Maybe they were. They were able to get home at intervals, and in slow years spend from half to three-quarters of the year in the district. They knew what their people wanted and especially what they did not want. If they kissed a baby from time to time it was for sheer enjoyment. Nowadays a congressman has to get priority on a plane to get home at all—some congressmen, some times.

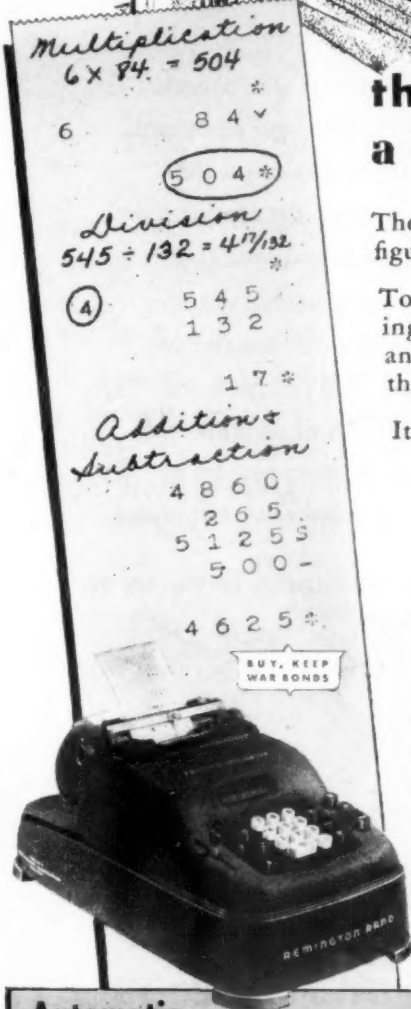
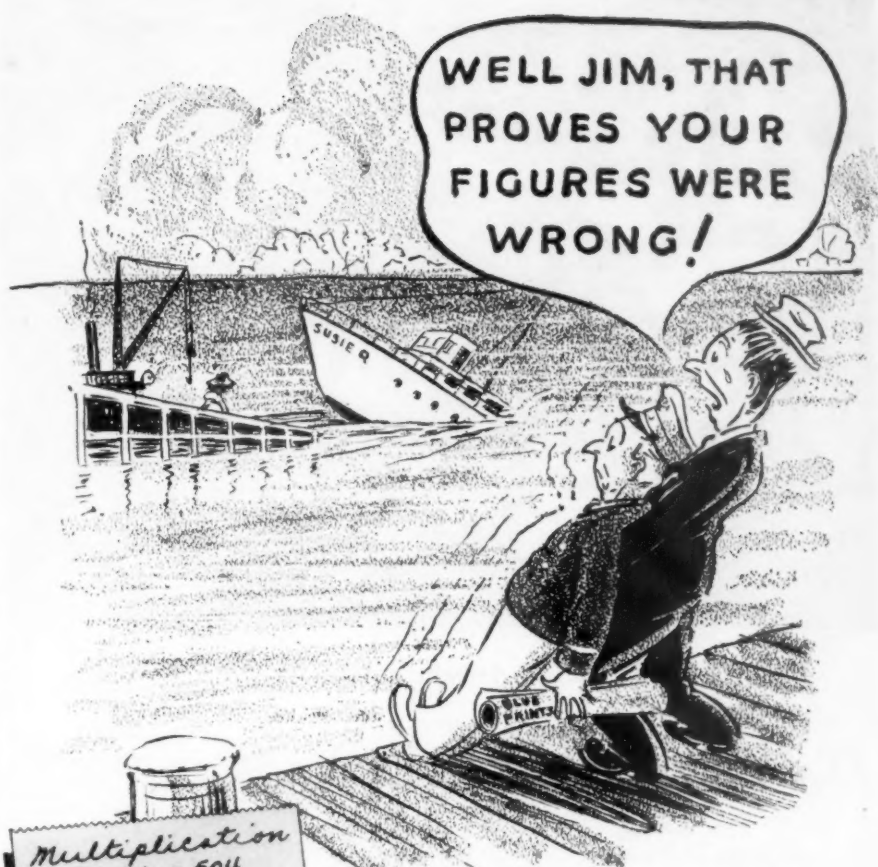
"The babies he plans to kiss," Mr. Brown observed, "are writing to some kid in the services before he could get around to them."

These things are known to all congressmen and the movement to streamline the congressional machinery is gathering strength. Yet such movements speed like glaciers. The new idea of which Mr. Brown spoke will run into so many political obstacles that it will likely wither on the vine. In any state, a seriously advanced suggestion that congressional districts be doubled up—two made into one—would assume the dimensions of a minor war. Not to be cold-faced about it, it probably has not a friend in Congress, in any state, or in any high place anywhere.

Yet some cure must be found to improve a situation that is potentially dangerous.

In 1942 the United States Chamber of Commerce took steps: Ralph Bradford, manager of the Chamber, conceived the idea of forming a new department within the organization whose function it would be to develop a technique of getting business men to express themselves on important national issues.

The Department of Governmental Affairs, as the new department was called, set about to form Committees on National Affairs, soon abbreviated to NAC, in local and state chambers of com-



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merce and trade associations, comprising the membership of the Chamber.

There were some such committees in existence at the time, a few of which had been organized as far back as 1927, but interest in national affairs had dwindled. Inquiry made after a lively session of Congress showed a surprising lack of interest even in legislation of special interest to business.

Out of eight major bills referred to in a survey made in 1944, about one-fourth of the existing local committees had taken no action at all, three-fourths acted on only half or fewer than half; 70 per cent used organization letters or resolutions to give their congressmen their views on the bills, and only 30 per cent used individual letters, telegrams or personal contacts to transmit their views.

"In brief," the report on the inquiry stated, "the NAC's were not only failing to take enough action, but were particularly poor at using the most effective methods."

Interest in national affairs

SINCE that report was made interest has been stepped up. The more or less moribund NAC's have increased their activity, many new ones have been added, and a number of National Affairs Committees have been formed in non-member organizations, which have been stirred by the Chamber's operations.

In February of 1945 Howard L. Volgenau, manager of the National Chamber's Department of Governmental Affairs, and Donald Marcellus, head of its Field Division, toured the greater part of the country in a series of clinics, with the cooperation of the managers of the Chamber's six divisions. Almost 1,000 key leaders of business participated in informal forums in 215 cities and the plan proved so successful that similar clinics are now being conducted.

Field activities are aided by a four-fold reporting service. A publication, known as "Governmental Affairs," is sent out from Washington in specialized sections: Legislative Daily, Bill Digest, Administrative numbers and Special numbers. These reports keep subscribers up-to-date on congressional and administrative affairs and cover specific bills before Congress at times when business men should be acting on them.

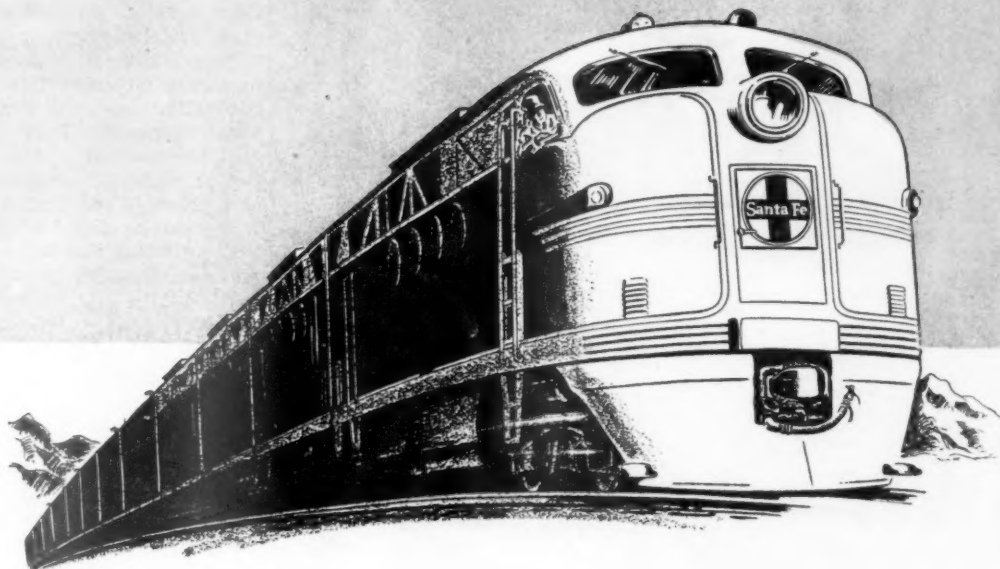
In addition, thousands of personal letters have been sent to business men who desire information or advice on specific governmental problems—and to thousands of others, copies of bills, administrative orders, press releases and printed material.

As Mr. Volgenau states:

"The program is a medium for disseminating information about the federal Government and primarily about the doings of Congress. The purpose is to stimulate and coordinate the influence of American business men on national affairs."

No effort is made to build up pressure

Doin' it with Diesels on the Santa Fe



Hauling mile-long war freights over steep mountain grades calls for plenty of head-end power.

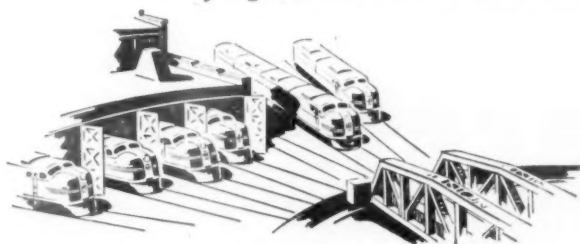
Santa Fe is providing a lot of that power with the greatest fleet of 5400 horsepower Diesel locomotives in American railroading.

68 of these blue and yellow "head-ends"—the most powerful freight Diesels in the world—are now in

operation over the toughest mountain climbs on the Santa Fe—and more are on order.

Santa Fe's dieselization program is another important step in getting the war freight through faster along "The Route to Tokyo"—and in providing the most modern freight equipment to meet transportation needs in the days of peace to come.

Six of the big fleet of Santa Fe freight Diesels at a service base.



SANTA FE SYSTEM LINES

Serving The West and Southwest

A Resolution Re-affirmed

Resolved

AS America enters the third year of this war for freedom, her people are resolved to hasten the hour of ultimate Victory by doing all in their power to give our fighting men the tools they need to win. Here at Breeze that resolution is reflected in the ever-increasing quantities of vitally important equipment flowing from the plants to the battle fronts. Breeze Radio Ignition Shielding, Flexible Conduit and Fittings, Multiple Electrical Connectors, and Cartridge-Type Engine Starters are among the many products engineered and developed by Breeze research that are now in service with the forces of the United States, on land, on the sea, and in the air. The dependable performance of this vital equipment is helping day by day to bring Victory closer to America and her Allies.

BREEZE CORPORATIONS, INC., NEWARK, NEW JERSEY

Breeze **BREEZE MARK**

The year before the invasion of Europe, Breeze published this advertisement pledging its all to the winning of the war. In the months that followed, the performance in battle of Breeze Radio Ignition Shielding, Armor Plate, and countless other specialties transformed the words of that pledge into effective action in the defeat of Germany.

Now, as the full pressure of American naval and military might shifts to the Pacific, Breeze re-commits to Final Victory its full production . . . backed by its vast reservoir of manufacturing and engineering experience accumulated and developed during its long peacetime and wartime operation.

Tomorrow, when the skies are clear again, these same facilities plus new Breeze skills and techniques will be yours to command for the rebuilding of transportation and industry in the era of electronics that lies ahead.

BREEZE
Corporations Inc.
NEWARK **BREEZE MARK** NEW JERSEY

groups. The policies approved by the National Chamber are stated in the various communications to its members and to the public. But the local chambers are given all the facts on a question rather than just the arguments in support of the Chamber's policies. Interest is centered on two important considerations:

Are our constitutional processes affected by this suggested congressional action?

Would our economic structure be altered by it?

In the booklet, "Help Yourself to Better Government," recently issued by the National Chamber's Department of Governmental Affairs, the NAC of each state or local chamber is advised:

"When they have the facts, poll your members on each national issue. Find out definitely what their genuine majority opinion is. They may be 50-50 on an issue instead of 100 per cent either for or against. Use polls particularly on matters of real national import which will soon be acted upon by Congress. And publicize the poll returns. Use the mails or phone calls to take the votes."

Committees are improved

THESE operations are getting results. The local chambers are putting men who are truly interested in national affairs on their NAC's. There are such men in every community. Many are on other committees and are overworked, but "a million business men exerting themselves wildly and sporadically may never have a measurable effect on a single national issue. Through proper organization they can hardly fail to wield great influence." As Volgenau has written:

"The chairman must be at least 50 per cent statesman. His interest in national affairs should be wide and founded as much upon the general public good as upon the welfare of business."

The NAC's are informed on congressional organization and methods and committees. They are directed to get personally acquainted with their congressmen. One thousand personal letters are of more value than resolutions.

"Don't high-pressure, but show that you have a stake in the game."

"Use every means of publicity."

"Know your congressman. Get from him what he has and give him your best."

Through all the National Chamber's publicity the emphasis is on the fact that what is best for all of us is best for the individual and the community, and on statesmanship rather than on politics.

There may never be the congressional specialists on national legislation of whom Congressman Brown has heard talk. But the program should at least serve to inform the overworked congressman on what the business man back home is thinking about in matters of national interest.

Also to help the business man think.

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NESS



Which one is the heiress?

One is a working girl, the other a debutante. Yet, from the way they are dressed, it is almost impossible to tell which is which. For today, fashionable apparel is available at prices that *millions* of women can afford.

A major force in democratizing women's fashions has been the increasingly widespread use of rayon. Today more than half of women's dresses are made of rayon.

The reasons are easily understood. Rayon, being a man-made fiber, is the subject of constant improvement and development through scientific research. As its price has dropped from \$4.75 a pound to 55¢ a pound, its qualities and uses have advanced at a corresponding rate. It

has become the customary fiber for an ever-widening range of fabric textures.

Rayon's influence has made women's ready-to-wear a 3 billion dollar industry, in which an estimated half-million people earn their living. This has had social as well as economic effects. To dress smartly is no longer the special privilege of a wealthy few. It is a hunger that any woman of average means can now satisfy.

Here, then, is another aspect of the broad contribution to a better life for *all* America that is being made by the continuous research program of the American Viscose Corporation.

AMERICAN VISCOSE CORPORATION

America's Largest Producer of Rayon Yarns and Staple Fibers

Sales Offices: 350 Fifth Avenue, New York 1; Providence, R. I.; Charlotte, N. C.; Philadelphia, Pa.

Plants at: Marcus Hook, Pa.; Roanoke, Va.; Parkersburg, W. Va.; Lewistown, Pa.; Meadville, Pa.; Nitro, W. Va.; Front Royal, Va.

*Reg. U. S. Pat. Off.

*A better way to
buy Rayon Fabrics*



This identification is awarded only to fabrics containing CROWN* rayon, after they have passed the CROWN Tests for serviceability.

Ballyhoo Runs Wild

(Continued from page 26)

When I first saw Washington, 35 years ago, a reporter as a special treat showed me a lone duplicating machine in the unpretentious publicity office of the Agriculture Department. Other departments called in the reporters when an item of news was available for the press, or a stenographer used carbons and typed a statement. Today a paper blizzard of news releases hits Washington every noon. The Bureau of Budget, four years ago, located \$3,675,695 worth of duplicating equipment in publicity service.

Business helps delivery

MINDFUL of the jingle, "Fleas have other fleas upon their backs to bite 'em . . . and so *ad infinitum*," government publicity, like other big industries, has created private business. For a nominal monthly charge, private messenger services collect each office's daily releases and deliver them to clients.

The hinterland can be deluged by "penalty" mail—official mail on which no postage is charged—as every editor outside of Washington knows. In 1945, this mail—"300 penalty for private use"—exclusive of "exempt" mail of Army, Navy and Post Office, may run to 1,841,856,000 pieces distributed at a cost of \$27,628,000 to the Post Office, based on figures just reported for six months. This is exclusive of "franked" mail where a facsimile signature of a congressman or presidential widow or "free" for a member of the armed services appears on the envelope. Propaganda literature, though substantial, is a minor portion of this flood of free mail. By government branches, it ranges from 59 letters at a postal expense of 80 cents for the Legislative Counsel of the House of Representatives in six months, to 172,111,000 pieces, costing \$2,582,000, for the Treasury Department, the latter including the reminders which every income taxpayer receives four times a year.

Since "penalty" mail is too slow for Washington, the bureaus solve their messenger shortage by making bundle deliveries of their releases to the lobby of the National Press Club where reporters and visitors can pick up copies. The bulk of these releases is *bona fide* information with little of the propaganda or opinion molding at which certain departments direct their heavy activities.

On a prolific day, a reporter who takes a single copy of each release—25 to 100 copies of each will be on the big table—can return to his office with one and one-half pounds of paper. The news value of the table display, determined by what is eventually published, is a question of opinion but the intrinsic salvage paper value can run to a ton a month.

To Washington feudists, the table display of releases discloses the failure of OWI's ambition to handle all government publicity. Although OWI would gladly detail a staff to other offices, the old line departments know the Arab fable of the camel which stuck its head through the tent flap. Before long, the camel filled the tent and the owner was out.

Also some in OWI see how it could be useful and survive after the war. If it could supply the American people with all they are permitted to know about their own Government, as is planned in liberated countries, press associations and newspapers might close their Washington offices.

OWI is excruciatingly helpful. It issues a daily calendar advising newspaper editors which releases they should read. It also provides magazine editors with lists of articles which, in its same eager opinion, will improve their publications.

It will even write the articles, add pictures or drawings and get nationwide publicity for the magazine after they are printed.

These are only a small phase of OWI's promotional activities. In cooperation with other agencies and departments, it produces motion pictures, shorts and full length. For radio it provides recorded music and speeches, traveling speakers and entertainers.

In addition to channeling thousands of releases from other branches of government, OWI releases its own literature. Congress has limited its domestic publications to the annual *Government Manual* but apparently a 3,000-word press release is not a "publication."

A recent production was a release of that length on the symptoms and treatment of malaria and the annoying antics of mosquitoes.

OWI has a teeming office in Washington and another beehive in New York City. Its latest personnel report showed 9,385 employees, 5,362 of whom, including 1,661 Americans, were overseas.

With few exceptions, releases from FTC, NWLB, OPA, WPB, NLRB and the Department of Agriculture—which includes WFA, AAA and CCC—are routine executive orders or reports on hearings.

300 words a day

OPA has nine and WPB has 15 "information specialists" as identified by individual releases. As measured by total output, an OPA specialist averages 300 words of information a day while WPB writers bat out only 250. The averages are low compared to a newspaper city room, but each scrap of straight copy requires OK's from supervising functionaries.

Releases have a distinctive trademark or flavor for a department or agency. An unvarying first line from one

publicist is: "John W. Snyder, Federal Loan Administrator, announced, today . . ." Opening paragraphs from the Petroleum Administration carry the information that "Deputy Petroleum Administrator Ralph K. Davies said. . . . This does not become monotonous. . . . Mr. Davies also "announced," "reported," "pointed out," "explained" and "called attention to" on other occasions. But Mr. Davies is only a deputy, as cleared up by Interior Department releases with the reiteration: "Secretary of the Interior Harold L. Ickes, who administers both the Petroleum Administration for War and the Solid Fuels Administration for War. . . ."

Press agenting executive heads through handouts is so general that an exception is conspicuous. Since Jesse Jones vacated his many swivel chairs, the Commerce Department and its branches have become impersonal. The name of Henry A. Wallace does not appear in handouts.

Government publicity bureaus are equally useful in producing magazine articles or books for their official patrons. The official receives a high price for his "writing" and the public pays for government information which Government Printing Office would distribute in a free pamphlet or at cost of production.

Congress outlawed the title "publicity expert" in 1913. It was replaced on office doors by a wide assortment of high sounding substitutes. Director of Public Relations is the favorite. A government press agent may be a "research coordinator," "public counsellor," "liaison officer," "executive assistant" to a chairman, administrator or board of directors, "coordinator," "deputy administrator" or even an "assistant to the assistant" of something. Several years ago Congress discovered that one assistant attorney general was an ex-newspaperman-press agent. It passed a law that henceforth government attorneys must be lawyers.

Expensive information

THE upper strata of rechristened publicity experts are in the \$5,600, and \$6,500 and \$8,000 and overtime classifications. A few are higher. They are under civil service. The competitive examination boils down to an official submitting the name of the man he wants and the Commission agreeing under Form 57 that he is qualified. Current appointments, however, are only for the duration. Elmer Davis, director of OWI at \$12,000, midway between Cabinet officers and congressmen, tops the publicity salary list. His office also has the largest galaxy of \$8,000 and \$9,000 men listed in the *Official Register* for 1944.

Top salaries are only a slight indication of publicity costs. One agriculture information office with an \$8,000 chief, has a \$103,393 salary roll and several times that in operating expense.

In radio publicity, the finest current example is that prepared by the State Department's promotion experts and

If your truck is a **CHEVROLET** you'll get **SERVICE**

Service **WHERE** you want it

The service you get from your Chevrolet truck—built-in, long-lived service so outstanding that it has made Chevrolet the world's largest-selling truck—is backed up by an equally outstanding nationwide field organization to provide service for your truck. Actually, Chevrolet's service organization is nationwide—with thousands of dealer service stations, plus other thousands of garages and shops to which authorized Chevrolet parts are made available. Service facilities are always close at hand.

Service **WHEN** you want it

Chevrolet's thousands of dealers are pledged to help keep the nation's motor transportation units rolling—and Chevrolet's unmatched parts distribution system makes it possible for them to provide you with the service you want whenever needed. The vast network of Chevrolet service stations, and the factory's great national service and parts departments, are working hand in hand to achieve the same end . . . the right part at the right place at the right time, to preserve the vital motor transportation of America.



CHEVROLET
Sales Leadership
is backed by
CHEVROLET
Service Leadership

CHEVROLET MOTOR DIVISION, General Motors Corporation, DETROIT 2, MICHIGAN

One out of every three trucks is a
CHEVROLET TRUCK

BUY MORE WAR BONDS • HELP SPEED THE VICTORY

Packages that Sell -wrapped on machines that SAVE

We have a machine
for every wrapping
purpose



Postwar competition is going to demand a package with real selling punch. . . . At the same time, mounting costs will have to be curbed.

We've helped leading package goods manufacturers lick such problems for more than 30 years. Today, our machines meet a wider variety of needs than ever—and they operate at higher speeds and lower costs. Why not consult us now so you'll be ready when business gets the "go" sign?

Write for our booklet "Sales Winning Packages"
PACKAGE MACHINERY COMPANY
Springfield 7, Massachusetts

NEW YORK

CHICAGO

CLEVELAND

LOS ANGELES

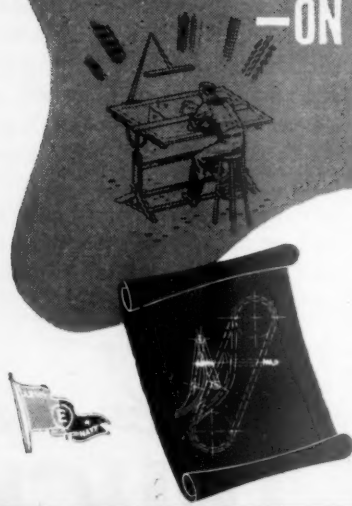
TORONTO

PACKAGE MACHINERY COMPANY

Over a Quarter Billion Packages per day are wrapped on our Machines

*Here's where you begin
to save money!*

—ON THE DRAWING BOARD!



Consider the better performance and the economies of Morse Silent and Roller Chain Drives. Positive, no-slip operation . . . **TEETH NOT TENSION** . . . eliminates power waste, assures smooth, trouble-free operation. When your power transmission problem is on the drawing board, call the Morse engineer . . . that's where savings can start!

SPROCKETS

CHAINS

FLEXIBLE COUPLINGS

CLUTCHES

MORSE *Roller and Silent* **CHAINS**

MORSE CHAIN COMPANY • ITHACA, N. Y. • DETROIT 8, MICH. • A BORG-WARNER INDUSTRY

known, even in the Department, as "Archie's Tavern." With Assistant Secretary of State Archibald MacLeish as master of ceremonies, this program runs a half hour on a national hook-up on Saturday evenings. On it, subjects are discussed in a jocular, carefree fashion by officials who, before the microphone, are addressed by their first names.

The announced purpose for the broadcasts is to sound out public opinion and to explain national policies on domestic and world issues. It has met difficulties. The public response to invitations for opinions and questions was so enthusiastic that, at this writing, some 10,000 letters have not been opened by the department.

On the other hand, the speakers' explanations of the Polish situation, elections in Yugoslavia, membership in the forthcoming league, Korean independence, Dumbarton Oaks and other subjects have not been in entire accord with national or even the State Department's own policies.

Criticized by Congress

CONGRESSIONAL complaints are that these programs are propaganda for plans which have not been adopted as government programs. The same applies to such moving picture productions as to certain movie shorts and "Watchtower of the World," to much literature published by the Government, and to activities of various private organizations under names adopted for the occasion. Though the time and cost may be donated by private individuals or concerns, they are encouraged and assisted by the government publicity bureaus.

Congressmen also contend, citing instances, that government publicity often is active in organizing pressure groups, though the law specifies that using government funds to influence legislation is a penal offense.

"Propaganda, particularly propaganda backed by the unlimited force of government funds, is likely to destroy democracy from within," Sen. Robert A. Taft declared in the Senate.

"I welcome factual information from the Government, even that which argues openly for administration policies, if it gives a reasonable statement of the position of the opponents," he said later. "I object to the misrepresentation contained in the present propaganda, to the smearing of opponents, to stirring up pressure groups against Congress, and particularly to secret propaganda."

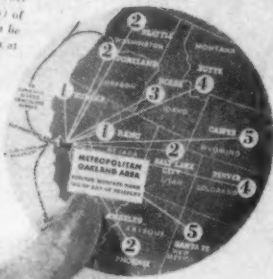
"Newspapers report that clergymen have been brought to Washington by the Treasury Department to be indoctrinated for pulpit appeals to bring pressure on Congress in behalf of the controversial Bretton Woods proposals," he continued.

"The War Department, on April 26, brought some 40 leaders of women's organizations to Washington from different parts of the United States. They were spirited into the Pentagon Building to hear talks on compulsory military

FAVORABLE FREIGHT RATE AREA

Metropolitan Oakland Area is at the center of the Northern and Central California favorable freight rate area. (See map below.) 71% of the population (1940 Census) of California, Oregon and Washington can be served from Metropolitan Oakland Area at less cost and in less time than from Seattle and Portland. 59% can be served at less cost than from Los Angeles. Metropolitan Oakland Area and Los Angeles serve the Rocky Mountain section at about equal distribution costs. Raw materials from Hawaii and the Orient and from the Atlantic Coast, can,

as a general rule, be processed and redistributed from Metropolitan Oakland Area to eastern and middle western destinations at lower cost than from the Atlantic Coast and Gulf Coast.



COMPASS SHIP		DAY OF DELIVERY AFTER OAKLAND AND CHICAGO	
		Day of Delivery after 10 weeks	
FROM OAKLAND	FROM CHICAGO	FROM OAKLAND	FROM CHICAGO
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HIGHWAYS CENTER, TOO

Metropolitan Oakland Area is the terminus for many truck lines operating over the entire Pacific Coast via 25,000 miles of surfaced highways. Sixteen common carrier truck lines serve all principal cities of the Coast, the East and inter-locate points. Plus numerous radial highways and contract carriers which do not operate between fixed points or over regular routes. Costs are low due to short distances to North and Central California points, including the rich agricultural valleys. Eight nationwide and Coast line lines serve the Area. All rates and services regulated by the California Railroad Commission and Interstate Commerce Commission.

1940 Standard Brand of Telephone
Oakland
Rural Telephone Service
Oakland

Crammed with **NEW-WEST FACTS**

It's An Amazing NEW West is 48 pages of information and statistics that should be in the hands of every manufacturer interested in profiting by the astonishing expansion of markets, and the industrial developments that have taken place in the past few years. 170 nationally-known manufacturers, and hundreds of others, already have plants in Metropolitan Oakland Area, or have purchased sites for the erection of factories as soon as priorities will permit. This book, crammed with vital facts about the NEW West, shows why you, too, should locate in Metropolitan Oakland Area. It gives you the facts and figures, in concise yet detailed form, which will help you solve your market, distribution, transportation and other West Coast problems. Write for it!

CONFIDENTIAL SPECIAL SURVEY: If you will give us—in strict confidence of course—information regarding your proposed West Coast operation, we will compile, without obligation, specific information applied directly to your problems.

We suggest that you permit us to cooperate with you *now* in working out your preliminary plans, including the purchase of a site, so that you will be able to start your Metropolitan Oakland Area plant the moment restrictions are lifted. As the first step,

Write for this new 48-page book now!

METROPOLITAN OAKLAND AREA

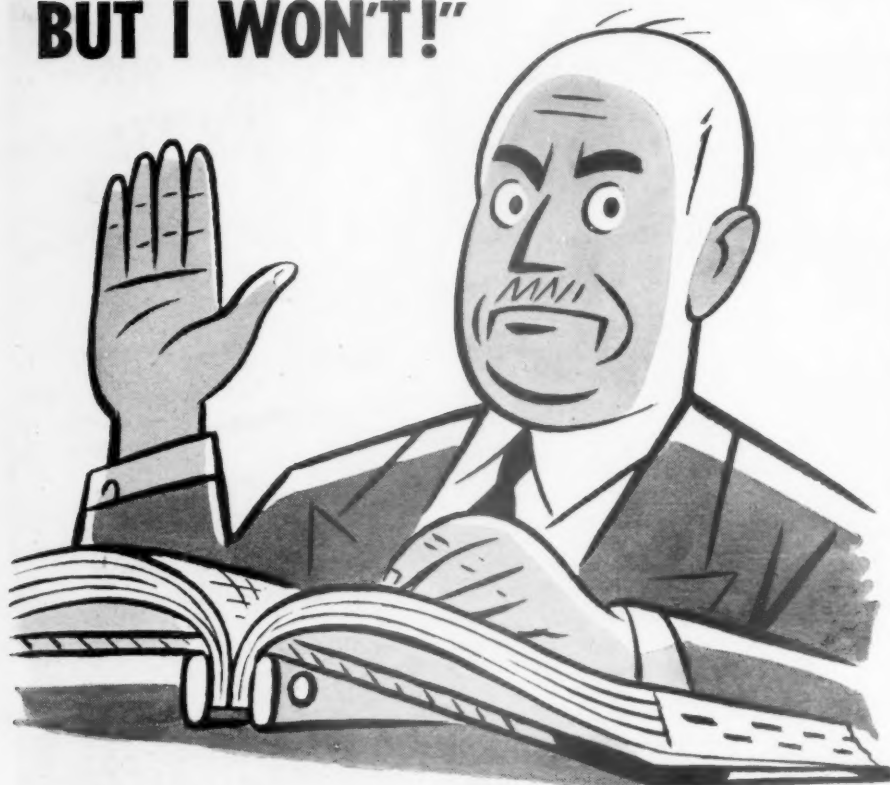
389 Chamber of Commerce Building, Oakland 12, California 4506

**METROPOLITAN
OAKLAND AREA
CALIFORNIA**

The NATURAL Industrial Center of the NEW West

ALAMEDA • ALBANY • BERKELEY • EMERYVILLE • HAYWARD • LIVERMORE • OAKLAND • PIEDMONT • PLEASANTON • SAN LEANDRO • RURAL ALAMEDA COUNTY

"Credit Loss History May Repeat BUT I WON'T!"

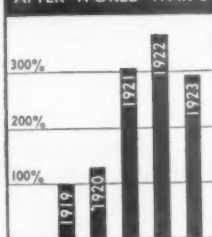


AFTER WORLD WAR ONE credit losses climbed quickly. In just three years . . . as the accompanying chart shows . . . the number of commercial and industrial failures jumped to 367% of the 1919 total; current liabilities involved soared to 551%.

WILL HISTORY REPEAT? Will failures multiply again? No one knows. Even now . . . upsets caused by unforeseen developments after goods are shipped may leave customers frozen . . . or worse. That's why manufacturers and wholesalers in over 150 lines of business carry American Credit Insurance . . . and why you need it too.

American Credit Insurance **GUARANTEES PAYMENT** of your accounts receivable for goods shipped . . . pays you when your customers can't. Don't face the uncertain future unprotected. Write now for more information to: American Credit Indemnity Company of New York, Dept. 41, First National Bank Building, Baltimore 2, Md.

**BUSINESS FAILURES
AFTER WORLD WAR I**



J. F. Fadden
PRESIDENT

**American
Credit Insurance**

**Pays You When
Your Customers Can't**

service. They were warned not to disclose that they had been in the army building, or who had talked to them or to identify the War Department in any way but to go home and spread the 'only true story' of the military plans. I contend that performance was not only a misuse of government funds but underhand and un-American."

"The government publicity bureaus should be purely information services, not the propaganda organs into which they have grown," Rep. F. Edward Hebert said. "Their only justifiable purpose is to inform the public and Congress."

"Some of these government bureaus are among the most vicious propagandists of this generation," declared Sen. George A. Wilson, showing a form letter from the Boston office of OPA urging pressure on congressmen debating price control. "They take the attitude that the American people are not of age, not able to think for themselves and not entitled to hear both sides of an issue."

The only control which Congress has over government publicity, promotion and propaganda—scattered like needles through the executive department haystacks—is through appropriations.

"What each department or agency spends for publicity is one of the most closely guarded secrets of government," says Senator Harry F. Byrd, Chairman of the Joint Committee on Nonessential Expenditures which already has effected some \$3,000,000,000 in economies. "We've attempted to make a study and tried for months and months to get figures, buried in a maze of fancy titles and vague items."

The Bureau of the Budget did make such a survey for the fiscal year ending June 30, 1941. Congressmen say that two years of spade work by the Bureau were needed, so deeply had the publicists burrowed.

More than 8,000 man-years

THE survey showed 2,895 federal employees devoting all their time and 31,618 giving part of their time, or a total of 8,433½ man-years, for publicity. The cost was \$27,769,940, of which \$19,463,470 was for salaries. Among costs not included was "penalty" mail, an expense of \$19,717,348 to the Post Office Department. The Bureau specified that 38 chatty house organs cost the taxpayers \$310,153, and that two-thirds of the other publications, costing \$13,751,797, were not required by law.

"An estimate of \$300,000,000 spent in 1944, is not too far away," added Rep. John Taber, a member of the Joint Committee and ranking minority member of the House Appropriations Committee. "The activities of the so-called publicity bureaus are a menace to decent government. Our people are being forced to pay for propaganda which is destroying their own liberties."

Government publicity was in its infancy four years ago. The garden has not been weeded since.

COAL?

YES, INDEED! IT'S A BIG ITEM IN THE DRUGSTORE!



AMERICA OWES MUCH OF ITS HEALTH and well-being to the skill and service of pharmacists. And coal—yes, coal—plays an amazing part in the making of countless drug-store products. From Bituminous Coal come the marvelous life-saving sulfa drugs—also aspirin, many antiseptics and germicides. Synthetic vitamins and quinine, too. Literally hundreds of needed medicines.



COLORS FOR LIPSTICKS—one of coal's glamour-gifts to the feminine world! Odors for perfumes and soaps; plastics for toothbrushes, cosmetic containers, costume jewelry. Waterproofing compounds for baby pants, shower caps. Photographic chemicals are made from coal. So are insect- and moth-repellents, sun-tan lotions, writing inks, glue.



EVEN THE CHILDREN are "customers" of coal—chances are the "charged water" in their sodas was fizzed by gas made from coal! From coal come wholesome flavors and colors for candy . . . More than 200,000 vital, useful, or convenient products depend on coal. And coal supplies most of America's heat, light, and power. *Truly, Bituminous Coal betters all living!*

BITUMINOUS COAL

★ BETTERS ALL LIVING ★

AMERICAN LIFE DEPENDS ON COAL



Last year, for home, factory, farm, industry and railroads, the coal industry produced over 620 million tons . . . more coal than has ever been mined in any year in any country! And the industry is hard at work to make your post-war coal for home heating in more uniform sizes, dustless—cleaner than ever.

Surprising Facts about Bituminous Coal

1. To power 94% of their locomotives, America's railroads need nearly a fifth of all the Bituminous Coal mined in this country.
2. The hourly wage rate for the mining of Bituminous Coal is among the highest for all basic industries.
3. By far the greater part of America's industry is located where coal is easily available—not only because coal is the most efficient and economical source of electric power, but also because nearness to coal means nearness to industry's biggest markets.

BITUMINOUS COAL INSTITUTE

60 East 42nd Street, New York 17, N. Y.

Lend-Lease Grab Bag

(Continued from page 22)

demand be unleashed on the American market simultaneously with a limited resumption of civilian production, which will call out an estimated \$75,000,000,000 in dormant domestic buying power.

It is important to note that the things most insistently demanded abroad are precisely the items needed most urgently at home—trucks, railroad equipment, machine tools, mining machinery, agricultural machinery, petroleum refining equipment, textiles, lumber, leather, paints and oils, building hardware and electrical equipment—all the more reason why American reconversion and full production should come first in our planning.

We began reconstruction of the French economy in October 1944. By March 1, 1945, we had supplied in the civilian categories 4,000 tractors, 650 road graders, 3,000 air compressors, 500 cranes, and 20,000 other items of construction equipment, making a total of 1,000,000 tons; also 125,000 tons of steel rails, 150,000 tons of bridge steel, and 30,000 tons of structural steel. We have also shipped to France 1,746 locomotives and 20,600 freight cars. Another consignment of 30,200 freight cars "have been disassembled for shipment," and are now being transported.

Before we started French industrial rehabilitation, we had restored the French military power to the tune of \$700,000,000 up to January 31, 1945. This fund equipped eight divisions of the French Army, plus 80 combat units in the new French air force. Last February we made commitments to equip eight additional divisions, plus 60 more air units before the end of summer.

Since November, 1942, the report says, we have spent "more than \$200,000,000" to rebuild the French fleet.

Help for the French Navy

TO assist the French Navy, we overhauled and modernized 25 French combat ships in U. S. yards, and transferred to the De Gaulle Government a few more than 200 small naval craft built in the U. S. The official summary of lend-lease assistance to France continues:

"Operating in the Mediterranean are three heavy and seven light cruisers, all with American equipment, and well over 100 other warships, including destroyer escorts, submarine chasers, patrol craft, and minesweepers, supported by the necessary harbor tugs and supply craft, all of which, except the cruisers, were built in the United States and given to France."

We have also assigned 26 merchant ships to carry civilian supplies exclusively for France.

Our military forces also have released \$30,000,000 worth of civilian supplies in France. In addition, our army engineers have repaired highways, rail-

roads, ports, electric utilities, water works and sewerage systems.

Also, through January, 1945, we had given France 1,091 airplanes, plus \$14,000,000 worth of spare parts; 1,100 armored tanks, 2,300 armored guns, 255,000 rifles, 20,000 cargo trucks, 14,000 trailers, 5,400 command cars, and 8,800 small trucks.

We also have pledged to France 2,600,000 military uniforms, 200,000 heavy duty truck tires, 200,000,000 board feet of lumber, 3,000,000 light bulbs, \$10,000,000 worth of X-ray film, 500,000 drawing instruments, 90,000 tons of cement, and 100,000 gallons of paint.

In addition, we shipped to France in January this year these items classified as non-military:

Zinc	1,968	metric tons
Sulphur	8,252	" "
Jute bags	1,399	" "
Rice	1,414	" "
Lard	5,396	" "
Milk	5,504	" "
Cotton	5,000	" "
Newsprint	1,115	" "
Roofing	3,141	" "
Medical supplies	500	" "
Asbestos	890	" "
Copper	5,750	" "

These figures illustrate the practically limitless range of our reconstruction allocations under lend-lease. Yet all of these items fall within the \$2,500,000,000 limit stipulated in the new French agreement—about ten per cent of the total fund available today.

Because of limitations on trans-Atlantic shipping space before V-E Day, French requisitions were coming in faster than the goods could be moved. So new purchases of civilian items simply were stockpiled for French account in the U. S., after being cleared by the various federal control agencies. Among such "authorized purchases" for French account as of early February (after the January shipments listed above) were:

30,000,000 feet gypsum wall board
25,000 tons of lard
25,000 tons condensed milk
36,000 tons cotton
9,000 motor trucks
12,000 tons copper
5,000 tons lead
2,000 tons zinc
2,000 tons tin
7,000 tons synthetic rubber
2,500 tons carbon black
15,000 tons ammonium nitrate
3,000 tons asbestos
1,000 tons tobacco
3,000 tons horseshoes
25 tons motion picture film

Although Italy does not qualify for lend-lease, the Allied Control Commission acts as clearing house for a vast relief and reconstruction program in that country. As in France, U. S. Army engineers in Italy have reconstructed hundreds of miles of railways and high-

ways, have restored bridges, docks and port facilities; have repaired and rebuilt public utilities in Rome, Naples, Palermo and half a dozen lesser cities. To date, we have spent \$6,280,000 for repair and maintenance of 3,832 miles of Italian highways.

Principally from American supplies, the Allied Control Commission already has landed in Italy, for civilian account, 1,100,000 tons of foodstuffs and 1,200,000 tons of other supplies. Since July, 1943, we have given Italy 290,000 tons of coal, 29,000 tons of chemicals, 7,000 tons of textiles, 6,000 tons of newsprint, 7,000 tons of medicine, 4,000 tons of soap, and 10,000 tons of miscellaneous supplies—"for purely civilian purposes."

These supplies are in addition to those provided by other Allied powers and by private sources, such as the American Red Cross.

In addition, UNRRA has made an allocation of \$50,000,000 for Italian food supplies.

Over and above the food programs of the Army, UNRRA and the Red Cross, the Control Commission also is supplying approximately \$1,000,000 a month in vitamin concentrates and medical supplies.

Houses to go to England

THE first reconstruction project for England under lend-lease calls for 30,000 prefabricated houses, at a cost of \$50,000,000. Allocation of materials for this project was approved by WPB on Feb. 9.

"The materials for these houses will come out of the allocations that would otherwise have been made to our own civilian economy, and will represent practically no impact upon the military effort," WPB explained. Shipments are scheduled to be completed before the end of the year.

With the opening of the Stilwell Road from India to China last February, we launched a program to rehabilitate internal transport in the Chungking area, beginning with an initial allocation of 15,000 motor trucks under lend-lease. About the same time we opened a 2,000-mile pipeline from Calcutta to China.

"An oil refinery provided by the U. S., which already has reached India, and several power plants are included in the program . . . American technicians already have arrived in China to organize the new transport system. They live in roadside shacks with the Chinese whom they will train . . . The first group of Chinese trainees—automotive mechanics, medical technicians and railroad engineers—are about to start their studies in this country."

Before the opening of the Stilwell Road, we were moving an average of 30,000 tons monthly to China by air, over the Himalayan Hump. With the new pipeline and the new road, FEA hopes that we may now approach more nearly the lend-lease volume "actually needed by China."

During the first four years of our

lend-lease operations, allocations to China and India were only 6.9 per cent of the total, as compared with 43.6 per cent for Great Britain, 28.7 for Russia, 13 for the Mediterranean area.

One of the heaviest burdens of our lend-lease operation to date has been a hidden item related to the British-American exchange stabilization program.

As a step to avoid unmanageable postwar disparities in dollar-pound exchange, all lend-lease arrivals are evaluated in Britain, for bookkeeping purposes, at the 1941 "stabilization" price level. But the actual cost of U. S. production, of course, has been anywhere from 25 to 40 per cent above the 1941 level; in some foods, current prices are 50 per cent above 1941.

Lend-lease at cut prices

BUT when the day comes for a final casting of accounts, all of these items will be credited to the U. S. at 1941 prices. By this involved—and generally unknown—process we have shipped to Great Britain approximately \$18,000,000,000 in lend-lease goods and services since 1941, and have subsidized each dollar of lend-lease allocation with upwards of another 25 per cent through the stabilization price agreement.

In presenting arguments for extension of lend-lease through the reconstruction era, England insists that, by carrying her armament and defense load alone during 1940-41, she dug deep into her resources and manpower before America really got into the fight. For that reason, runs the London argument, America should sustain the Empire with lend-lease through a reasonable period of reconversion and reconstruction.

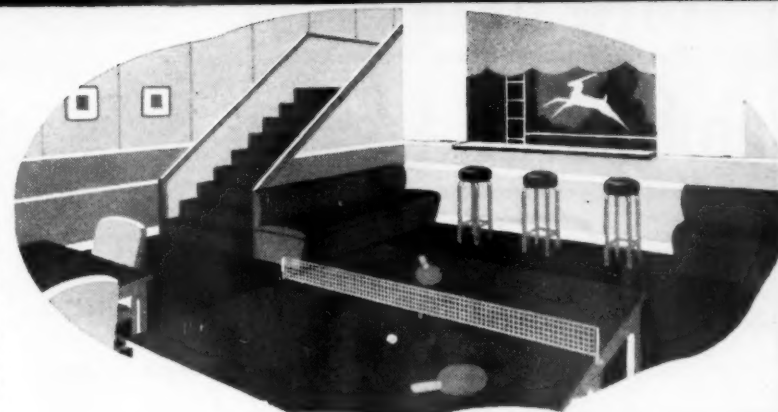
No legal arrangements exist today for relief and rehabilitation aid to Germany, save through direct military expenditures in the occupied areas. But FEA already has made thorough surveys within Germany in an attempt to estimate the postwar potential of the surviving German economy in those areas delegated to American control. These surveys indicate that the German economy now is functioning at only about five per cent of wartime capacity.

American policy does not contemplate any considerable measures of reconstruction, but is interested in stimulating that degree of economic rehabilitation which will enable the German population to sustain both itself and the occupation forces. Whatever we may elect to call it—military expense, lend-lease, or relief—we face the necessity of restoring a subsistence economy in Germany if our occupation forces are to be given a reasonable chance of survival against disease and civil commotions.

A sharp demonstration of this type of compulsion came to light last month in Holland, where some sections of the population were found so far advanced in starvation they could no longer handle ordinary relief foods. We shipped several tons of vitamin concentrates by



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air, in an attempt to restore the diges-
tive process.

Another item to get AA-1 priority in
May was \$176,000 worth of pipe and
pumping equipment to help restore the
water system of Athens.

Europe is getting help

"WE also have provided some quanti-
ties of textiles for clothing destitute
populations," Krug continued. "One hun-
dred and eighty additional locomotives
have been scheduled for Eastern Eu-
ropean countries supplied by UNRRA,
and the UNRRA freight car schedules
are now being developed in WPB. Some
11,000 commercial trucks have been
allocated to liberated European areas
during 1945."

Poland and Czechoslovakia also are
receiving assistance, mostly through
UNRRA. In May, UNRRA shipped 19-
000 tons of food, clothing, seeds, and
medical supplies to these two countries.

In short, the public record makes it
clear that, while the U. S. operates un-
der a rather strongly stated national
policy of not stretching lend-lease to
purposes of postwar reconstruction and
rehabilitation, we are, in fact, supply-
ing such aid today to no less than nine
European nations and making economic
surveys of prospective needs in half a
dozen other countries. In addition, a
special Congressional Commission of
Inquiry has recommended an immediate
appropriation of \$100,000,000 for recon-
struction and industrial rehabilitation
in the Philippine Islands.

But since V-E Day we have been
striking at this whole problem of relief,
reconstruction and rehabilitation in hap-
azard fashion, doling out \$1,000,000
here and \$10,000,000 there as cases
arose. We have no policy or program—
and not the slightest idea what the total
cost may be.

In the course of debate on the lend-
lease extension last April, Sen. Arthur
H. Vandenberg, of Michigan, warned of
precisely this development.

"I suggest that the Administration
should prepare for us an over-all esti-
mate of the total commitments which it
contemplates in the postwar field," he
said. "Instead of a reckless and piece-
meal process . . . we should be able to
judge each sector against the back-
ground of the whole. Otherwise we can-
not act with prudence and foresight or
with the elementary precaution which
we owe to our own people."

Senator Vandenberg inquired pointed-
ly:

What will be asked of us for UNRRA?
What will be asked of us for relief
in areas which UNRRA can't reach?

What will be asked of us in lend-lease
hangover?

What will be asked of us under the
Bretton Woods agreements?

What expenditures are contemplated
in the name of Pan-American coopera-
tion?

What will be our financial stake in
various other international organiza-
tions, present and prospective?



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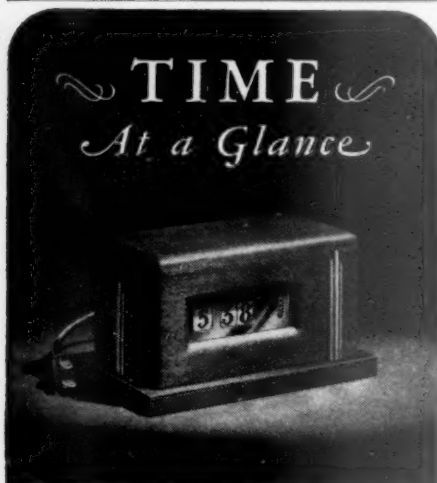
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What will be our expenditures in the rehabilitation of the Philippines—a challenge which has a priority right-of-way?

What will be asked of us in respect of the expanded Export-Import Bank?

What is contemplated by way of direct government postwar credits to our Allies?

"This does not exhaust the list," he explained. "It merely exemplifies the problem. I submit it is high time we tested this total prospectus against the available American resources which—in the midst of our own terrific postwar necessities—we can commit to these external purposes.

"This is not only due to our own people; it is also due to the world, which otherwise may be misled into a reliance and expectation which it is physically and financially impossible for us to fulfill.

"Such ultimate disappointments, such ultimate disillusionments, shatter good will and damage international friendships."

Yes, America stands ready and willing to cooperate wholeheartedly in

building a healthier, happier world.

But, as Senator Vandenberg has put it so aptly, "we are neither big enough nor rich enough to become permanent almoner to the whole earth."

Maybe we should change the name, repeal the Johnson Act, and call all future allocations loans. But whatever the financial nomenclature, the drain on American resources will still be the same.

Unless some system of priorities is fixed clearly in our national policy, we likely shall see American business hanging on by its fingernails waiting for new equipment, new tools, new machinery, while the finest products of our miraculous industrial system float off over the seven seas to the nobler calling of world reconstruction.

The problem is a real one. Unless the American productive plant is maintained at maximum efficiency through adequate repair and renewal after its wartime starvation, there simply will not be sufficient industrial production during the next two or three years to sustain the world's economy at the subsistence level.



More Phones and Television

At least 1,500 miles of coaxial cable will be under ground by the end of this year if the American Telephone and Telegraph Company maintains present progress on its five-year coaxial cable program involving 6,000 to 7,000 route miles of construction.

With today's terminal equipment, a pair of coaxials can provide 480 telephone circuits. Or the coaxial may be arranged to transmit both the visual images and the accompanying sound for television programs.

While current haste in installing the cable is largely due to the need for long

distance telephone circuits, the cables are planned as an interconnected system of backbone routes that will greatly facilitate network television programs after the war. The main routes projected are from New York to Miami, from Atlanta to Los Angeles, from East Coast to Chicago, and from Chicago to New Orleans.

The coaxial consists of a copper tube with a single wire in the center which is insulated from the tube. Cables are made with four, six, or eight coaxials together with regular telephone wires within the cable sheath.



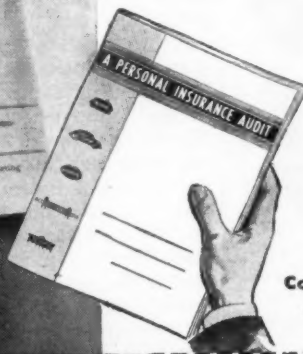
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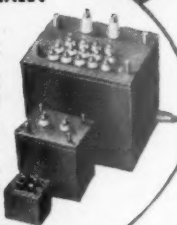
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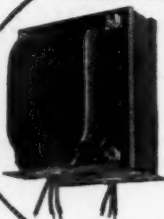
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The Road Back to Labor Peace

(Continued from page 32)

management. The San Francisco Regional Board granted the union petition. The company appealed, saying that the health program was experimental, that it did not know what the ultimate cost would be, and that it was unwilling to shoulder an obligation from which it could not get relief except with the consent of the union. The board at Washington upheld the action of its San Francisco subsidiary.

Experiments may be frozen

A SOMEWHAT similar situation arose in the Glenn L. Martin Company. Here also a sick leave plan was involved. Over the dissent of the industry members, WLB ruled that such subjects as sick leave are suitable for collective bargaining. The majority opinion said:

"The Board in this case has directed that an existing sick leave plan should not be changed during the life of the agreement except through negotiation between the company and the union. This action has elicited from the dissenting industry members an opinion warning employers 'not to experiment with new programs for the benefit of their employees,' lest the Board 'freeze' such programs.

"While we do not doubt the sincerity of our colleagues in sounding this alarm, the majority of the Board regards it as wholly unfounded. We had thought that it was long ago agreed by all sides of the table that sick leave is a proper subject for collective bargaining."

In another decision, WLB ordered the Edison Sault Electric Company to include in a union contract a provision pledging it not to abolish or amend the existing sick leave and group insurance plans without the consent of the union. In appealing from a regional decision to the same effect, the company had argued that the sick leave and insurance had been instituted voluntarily and that they might have to be altered if financial conditions should change. The Board at Washington paid no heed to this plea. The company therefore found itself at the mercy of a union if it should find it necessary to modify the plans.

Government policy of this kind deprives employers of discretionary rights which long were taken for granted. Also—and here labor should be interested—it cannot fail to give employers a "Stop, Look and Listen" signal when they are considering installation of plans for the benefit of employees.

Another field of management upon which collective bargaining is beginning to encroach is that of shop rules and discipline. This spring WLB rendered a decision in a dispute between the General Motors Corporation and a union which held bargaining rights for some of its employees. The dispute had arisen

over the negotiation of a new contract, and points on which agreement had failed had been referred to the Board.

One of these points concerned rules about smoking in plants. These rules traditionally have been made by management. They are a part of the safety program. But the union wanted safety controls made subject to collective bargaining, and here is what WLB said in its order:

"After consultation with the shop committee, the Corporation shall make reasonable rules in each plant regarding smoking. Any protest against the reasonableness of the rules may be treated as a grievance and decided by an arbitrator agreed upon by the parties or, failing agreement, appointed by the War Labor Board."

Last summer some of the ticket agents of the Union Motor Coach Terminal in Chicago went on strike because the company would not let them work without neckties. The strike was called off and the dispute was handed over to the Chicago Regional War Labor Board, which finally decided that, since the union contract did not specifically regulate how employees should dress, the company had the right to prescribe reasonable rules on the subject, but that differences of opinion about these rules should be submitted to the regular grievance machinery and, if necessary, to arbitration. The Washington board upheld this decision.

Promotion by arbitration

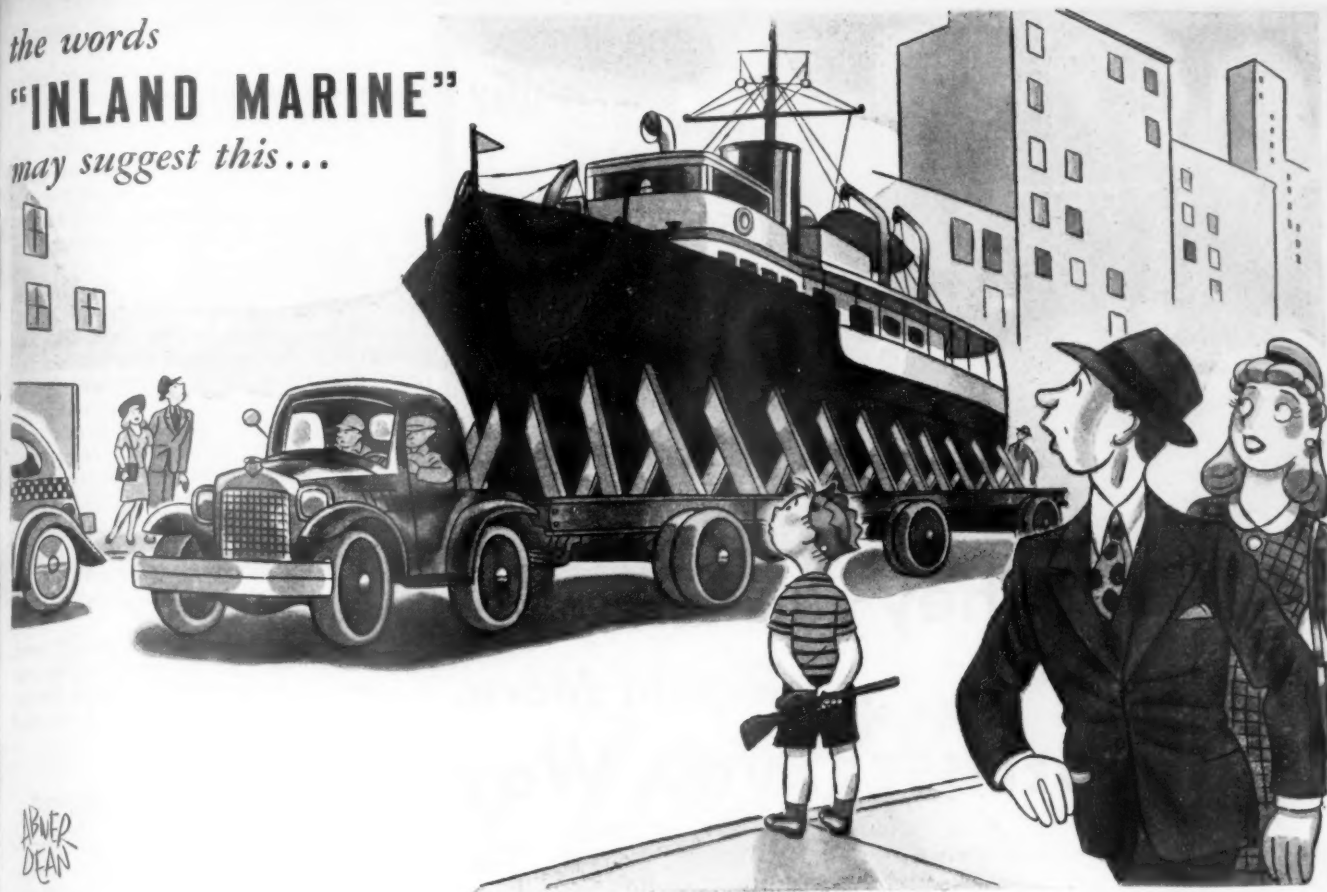
THE trend is just as noticeable with respect to wages. Of course, in companies having union contracts, determination of general wage levels has been subject to collective bargaining all along. Until recently, however, the employer, except as limited by seniority agreements, was supposed to have the right to decide whether a particular employee was entitled to a wage increase or an advance into a higher bracket. But now these responsibilities of management are being threatened both by unions and government. There is a strong tendency to subject the employer's judgment on the merits of individual employees to collective bargaining and to arbitration.

In this field, WLB started out with fairly conventional ideas. In a General Electric Company case last fall, the Washington board reversed a New York regional decision which would have required certain employees to be advanced from the lowest to the highest rates in the ranges for their jobs automatically—that is, by length of service only, regardless of ability. In its decision the Washington board held that advancement of these employees "should be based upon skill and performance." But the Board's formal opinion threw out

the words

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1898 Spanish-American War	1851—San Francisco	1843
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1941 World War 2	1871—Chicago	1873
	1872—Boston	1893
	1877—St. John, N. B.	1907
	1889—Seattle; Spokane	1921
	1901—Jacksonville, Fla.	1929
	1904—Baltimore	
	1906—San Francisco	
	1908—Chelsea	
	1914—Salem	
	1941—Fall River	

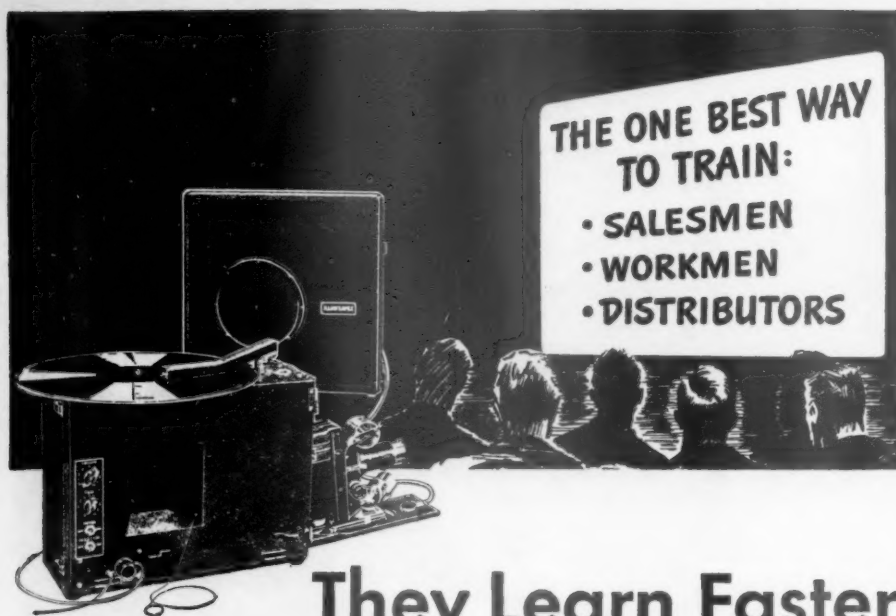
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some warnings of what was to come. It said:

"There is occasional talk about management prerogative which is said to preclude the employees or their representatives ever from questioning the appraisal placed by management upon the merit of the individual employee and the consequent determination of his in-grade wage. The War Labor Board rejects such ideas. . . .

"While refusing to uphold the regional board determination on automatic progression in this case, the National War Labor Board emphasizes the right of the union to participate with management in the development of a program of individual, in-grade advancement based upon objective criteria for appraising merit and performance. Mention is made of 'objective criteria' because it is the conclusion of the national board that some merit rating plans overemphasize such unmeasurable items as attitude, cooperation and potentialities."

The terms "objective standards" and "objective criteria" were to bob up repeatedly in subsequent decisions which took larger and larger slices from the authority of management.

"Standards" for higher pay

ONE of these decisions, perhaps typical of the rest, was rendered in the case of the W. L. Maxson Corporation, growing out of a dispute over methods of making wage increases to individual workers within the established ranges set for jobs. WLB did not order automatic progression based on length of service, but it quite effectively blocked the exercise of management discretion by putting this paragraph into its directive order:

"The parties shall by negotiation define objective standards of performance for various rates within each range. At specified periods, also to be negotiated by the parties, each employee's performance shall be reviewed by the company for the purpose of determining whether the employee has met the agreed standards for moving up to a higher rate within the range. The company shall have discretion to make more frequent reviews than those at the specified periods. Any claim that the company has exercised discrimination or has improperly measured the employee's performance with reference to the agreed-upon standards may be submitted to the grievance and arbitration procedure of the contract."

Enough cases have been cited to indicate that the Government, with the National War Labor Board as its spear point, has been making labor law pretty actively during the war period. The trend has been definitely toward more power for organized labor, restricted discretion for management, and more government regulation for both. The area of collective bargaining has been widened to include fields formerly under control of management, but at the same



Reach richer markets from a

"CENTRAL" LOCATION

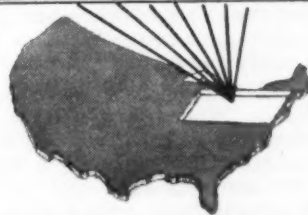
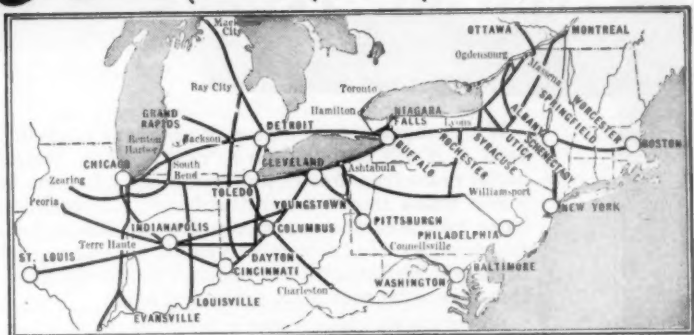
A Siding on New York Central links your plant directly with seven of America's ten biggest cities, and places you in the territory where 52% of American buying power is concentrated. Your products cover the Nation's richest market area with maximum speed and dependability. Yet that is only *one* advantage of a location that is *central* in the fullest sense.

"CENTRAL" TO MANPOWER—because, on New York Central you are in the *home area* of skilled mechanical, electrical, chemical and textile workers . . . 64% of all U. S. factory labor.

"CENTRAL" TO RESOURCES—because the New York Central territory, beside being rich in industrial power and water supplies, also produces 75% of the bituminous coal, 81% of the steel, and the greatest variety of semi-finished materials in America.

"CENTRAL" TO FOREIGN TRADE—because New York Central serves great modern ports handling 80% of Atlantic Coast imports and exports.

"CENTRAL" TO TRANSPORTATION—because a modern fleet of 800 daily passenger trains gives your executives and sales force fast, dependable service, throughout the New York Central area.



ASK ABOUT PLANT SITES IN THIS AREA

Write or telephone the New York Central Industrial Representatives listed below. Their files cover a variety of available sites, and they are prepared to undertake surveys to search out special advantages you may need. Let them help you find your *central location* . . . confidentially . . . and with a saving of time for your war-burdened executives.

BOSTON . . .	South Station . . .	A. E. CROCKER
CHICAGO . . .	La Salle St. Station . . .	H. W. COFFMAN
CINCINNATI . . .	230 East Ninth St. . .	G. T. SULLIVAN
CLEVELAND . . .	Union Terminal . . .	A. J. CROOKSHANK
DETROIT . . .	Central Terminal . . .	A. B. JOHNSON
PITTSBURGH . . .	P. & L. E. Terminal . . .	P. J. SCHWEIBINZ
NEW YORK . . .	466 Lexington Avenue . . .	W. R. DALLOW

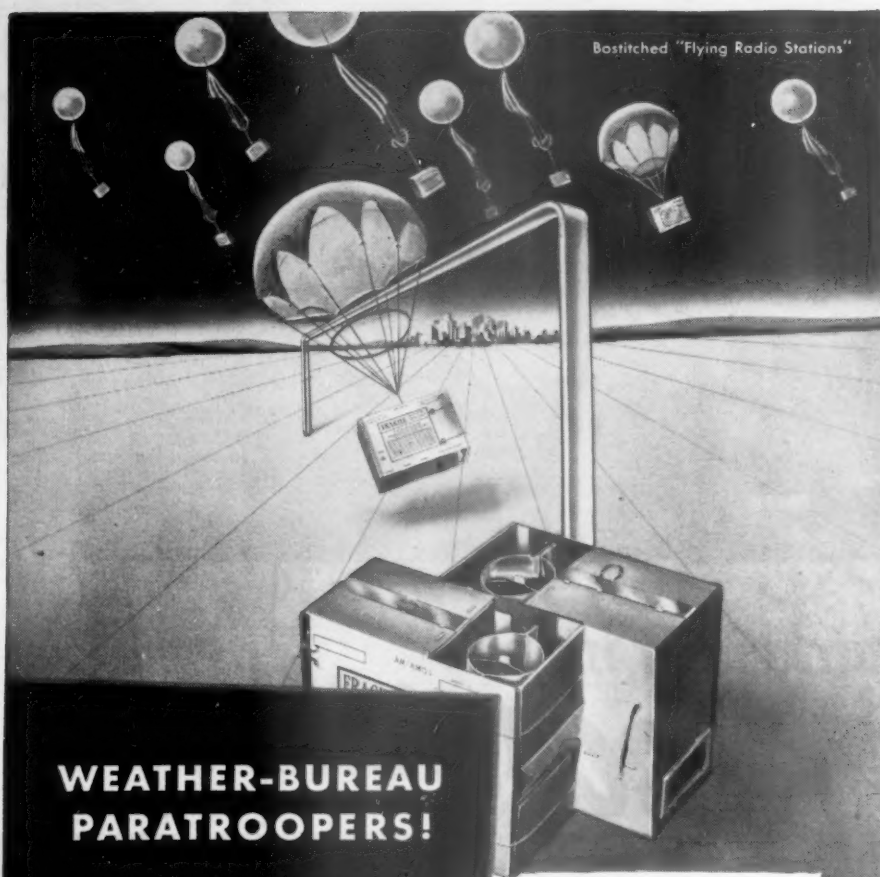
In other cities, contact our nearest Freight Agent

BUY MORE
WAR BONDS



New York Central

THE WATER LEVEL ROUTE



WEATHER-BUREAU PARATROOPERS!

If a package straight from the heavens lands in your yard... it will probably be a "radiosonde"... scientific aerial radio transmitter and recorder... balloon-borne many miles into the stratosphere... broadcasting basic weather information... until, its mission fulfilled, it is parachute-borne safely to earth. Complete instructions will be found on the package for its return... so that it may be sent aloft again and again.

BOSTITCHING plays a part in insuring the safe landing and the re-use of this modern miracle... an outstanding example of the Weather Bureau's engineering ingenuity and salvaging economy.

This use illustrates a simple, frequent Bostitch application. Whenever you think of fastening... metal, wood, plastics, paper, cloth, leather, rubber... in any combination... remember that in thousands of wartime and peacetime applications *BOSTITCH fastens it better and faster with wire.*

Bostitch field men the world over... specializing exclusively in stapling... backed by forty years' stapling experience... will be glad to discuss with you how Bostitch machines, when available, can help you get the best fastening results.

Bostitch (Boston Wire Stitcher Company) 62 Duane Street, East Greenwich, R. I. (or Bostitch-Canada, Ltd., Montreal).

Bostitch Staples in most sizes
are now available.



BOSTITCH

AND FASTER
fastens it better with wire

ALL TYPES OF STAPLES APPLIED BY MACHINES
ALL TYPES OF MACHINES FOR APPLYING STAPLES

time the effectiveness of collective bargaining has been reduced through constant governmental interference and through more and more dependence upon arbitration.

The result has been neither good will nor peace.

Clearly the way to labor peace does not lie along the road we have been following for the past few years.

How then can employees and management get back to effective collective bargaining, to voluntary agreements and to something resembling mutual respect and confidence? How can the conflict theory, if not wholly abandoned—which perhaps it ought not to be, since there are situations in which the interests of management and labor actually are opposite—be pushed back into its proper place in the wings?

Planning should start now

ONE thing is certain: We cannot, even if we wanted to, go back to the conditions that prevailed before 1933. We can change direction, but we shall have to start from where we are now. Neither can we erase the events of the past dozen years and try to act as though they had never happened, or repeal all existing labor legislation and start writing on a clean sheet to draw up a code that will bring ideal conditions. Things aren't done that way in a world of reality.

But with all these limitations, some things can be done. Eric Johnston, William Green and Phillip Murray made a good start in their Charter for Labor and Management with its emphasis on cooperative efforts to maintain high production and secure justice to all parties under competitive capitalism.

Here are some things toward which planning should start at once:

1. With the close of the Japanese war, the no-strike pledge to which most unions subscribed after Pearl Harbor should be dropped. Its value even in wartime has not been conceded by everybody and it would be neither necessary nor useful after peace is restored. Labor and management should be free to strike or lock out if they think they are justified and if they are willing to take the risks and the consequences. (Perhaps there should be exceptions in industries vital to the public welfare, like railroads and a few essential utilities, but this is a detail.)

2. When work stoppages occur, Government should take the position of a neutral—possibly that of a referee to see that there is no hitting below the belt—and should give up the idea, now held by too many officials, that no union or union member should ever lose anything as a result of going out on strike.

3. Industry should realize that collective bargaining and unionism are here to stay.

4. Labor and government should recognize that management has definite

Terms are your most potent Selling argument

Whenever Competition is tough

The last shot of the present world struggle will be the opening shot of the greatest competitive war in the history of American industry. Make no mistake about that!

The period following the first world war found many a manufacturer left at the post because he failed to change his methods to meet changing conditions. History is sure to repeat itself.

That's why manufacturers and distributors whose terms have been "cash" in the past are investigating the advantages installment selling may offer in the rough-and-tumble selling days ahead.

Whether you make goods that sell to consumers—such as refrigerators, stokers, radios, stoves, or even furniture and clothing—or heavy goods that sell to the industrial field—such as machinery, air conditioning or labor-saving equipment—it's good sense to plan for installment selling. And it's none

too soon to start. Terms are your most potent selling argument—whenever competition is tough.

For it may well be that the sales you lose on your product's talking points will come easy as pie if you are prepared to talk terms.

Volume always has expanded when terms have been e-x-t-e-n-d-e-d. We wouldn't need parking lots if Joe America couldn't buy a car out of income. The ice man would still be on the scene. And radio would still be the plaything of the few.

The time-payment idea is a specialty of ours. No matter how foreign this method of doing business may be to your present set-up, we can show you how to use installment merchandising as a selling tool; how to sell on terms without abnormal losses; how you can meet competition with terms, and still operate on a cash basis.

Your inquiry will be held strictly confidential, and will involve no obligation.

In 1944 our volume exceeded \$225,000,000

WALTER E. HELLER & COMPANY

Factors . . . Sales Financing—Installment Financing—Rediscounting

ESTABLISHED 1919

60 EAST 42ND ST., NEW YORK 17, N.Y. • 105 WEST ADAMS ST., CHICAGO 90, ILL.

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IMPORTANT TO MANUFACTURERS OF SEASONAL PRODUCTS

We have a special plan for you. One that will enable you to produce evenly throughout the year—and be ready with adequate stocks at the right time and place when the big selling seasons open. Details on request.

Morton's SALT TABLETS



**NOW AS FAMILIAR
AND NECESSARY AS
THE LUNCH CART . . .**

It's easy to remember the time when only one plant in twenty dispensed salt tablets to employees who sweat. Today, virtually all of the country's leading manufacturers provide them continuously.

Sweat robs the body of vital salt . . . causes Heat-Fag, inalertness, heat prostration. Workers become tired, easily fatigued. Accidents rise. Production drops.

Salt Tablets are the simple, easy way to replace this salt lost through sweat. An Industrial "must", they are a safeguard against fatigue, an aid to production, a builder of employee health and morale. The cost is less than a cent a man per week to have them available at every drinking fountain.

In salt tablets, as with other grades and types of salt, Morton is the recognized leader. Order Morton's Salt Tablets and Dispensers from your distributor or directly from this advertisement. Write for free folder today . . . Morton Salt Company, 310 S. Michigan Ave., Chicago 4, Illinois.



MORTON'S DISPENSERS

They deliver salt tablets, one at a time, quickly, cleanly—no waste. Sanitary, easily filled, durable.

800 Tablet size - - \$3.25

MORTON'S SALT TABLETS

Morton's Salt Tablets are available either plain or with dextrose.

Case of 9,000, 10-grain salt

tablets - - - - - \$2.60

Salt Dextrose Tablets, case

of 9,000 - - - - - \$3.15

MORTON'S SALT TABLETS

rights and responsibilities, the maintenance of which is essential to national prosperity and the preservation of the private enterprise system. Management itself will have to take the lead in this and stop giving away its shirt in trade for temporary advantages or in efforts to appease union bargainers. Far too often whole industries have suffered from unwise concessions made carelessly by single employers, then used as precedents by unions in negotiation with other companies.

Mention of the rights of management brings us head on against a highly controversial question:

What about the National Labor Relations Act?

That statute has been responsible for much of the friction and misunderstanding that have bedeviled industry for the past decade. If we are to make even a start toward labor peace, it is essential that the law be amended so that it will be less one-sided; so that unions as well as employers will be held responsible for their actions, and so that supervisory officials will be excluded from the definition of "employee" subject to unionization and collective bargaining.

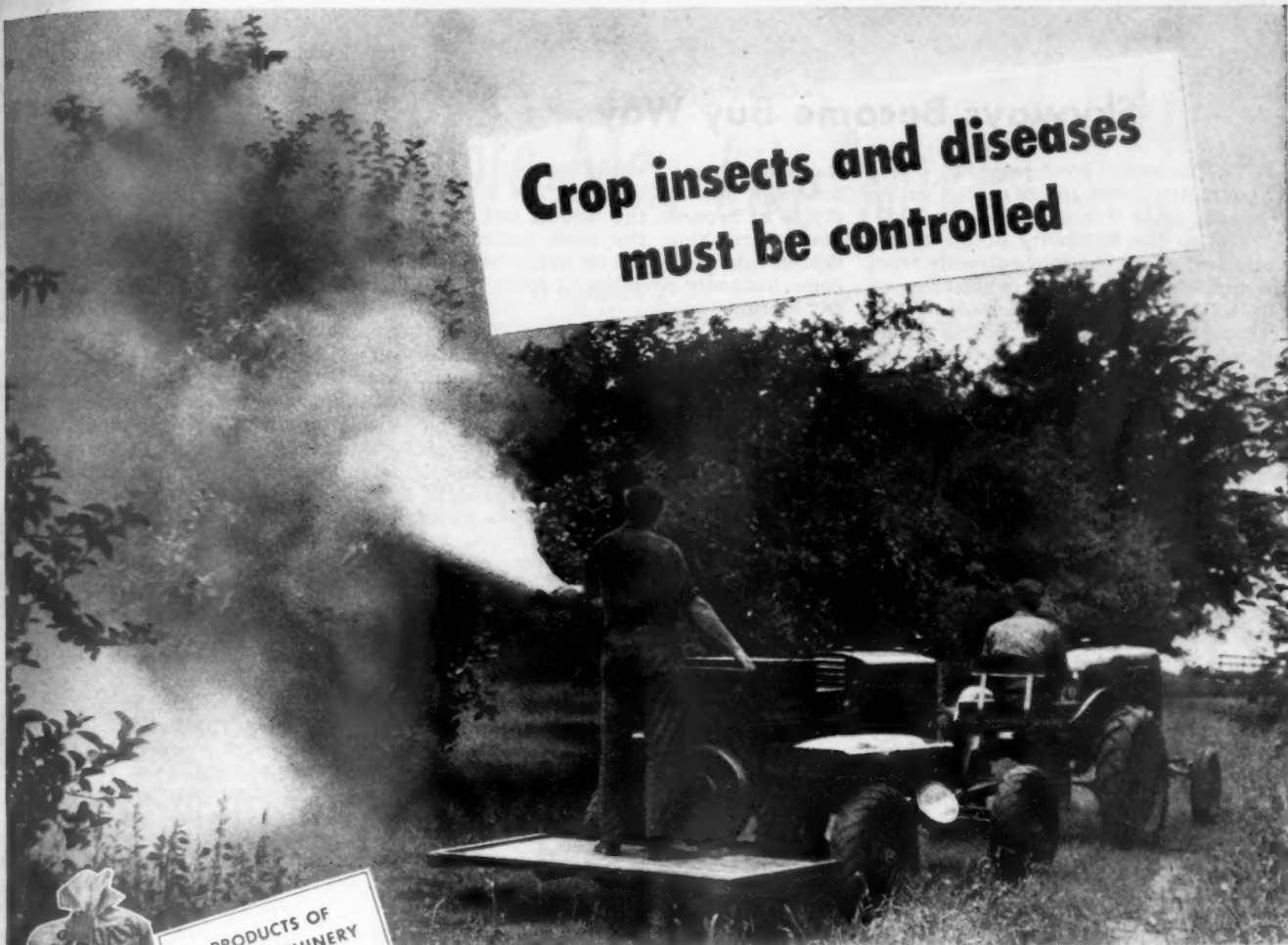
New tribunal is needed

THE War Labor Disputes Act should be allowed to die, as it would serve no useful peacetime function. In place of WLB, and perhaps utilizing the existing records and some of the present staff, the Government should set up a new tribunal to hear disputes, to announce decisions which should be advisory and unenforceable, and to provide facilities for voluntary arbitration. This labor court might take the form of an expanded and strengthened United States Conciliation Service. (Again it is conceded that a system with more "teeth" might be necessary in a few industries where work stoppages would seriously interfere with essential services to the public. The railroads already have their own machinery for settling disputes.)

Finally, management should tune up its techniques in collective bargaining. Dealing with labor unions is just as difficult and specialized as buying material or auditing corporation accounts. It may be even more important in its consequences. Successful labor unions entrust the bargaining process to their most clever, determined and resourceful agents. Industry will do well to study this example.

Here, as in the cure of many other troubles of private industry, the most effective remedy is better management. The need is not for weaker union leaders, but for stronger, more experienced and better informed supervisors and executives. To achieve this improvement, industry should avail itself of all the devices that have been built up since the early years of the century, including college recruitment, rating and grading of employees, selection and training of foremen, and executive development.

**Crop insects and diseases
must be controlled**



Niagara Cyclone Duster at work



Niagara

Insecticides and Fungicides

Like humans, trees and plants need help in fighting off injurious diseases. Insects also are a constant menace. Growers all over the nation use Niagara chemical dusts and sprays to protect crops and assure greater yields of higher quality fruits and vegetables. The unusual effectiveness of every item in the complete Niagara line has been proved time and again—result in part of the same engineering skill and care in manufacturing that distinguish *all* products of Food Machinery Corporation.

FOOD MACHINERY CORPORATION

EXECUTIVE OFFICES: SAN JOSE, CALIFORNIA

*Niagara Sprayer and Chemical Co., Inc. plants are located at
Middleport, N. Y.; Jacksonville, Fla.; Burlington, Ont., Can.*

MANUFACTURING DIVISIONS:

ANDERSON-BARNICOVER AND BEAN-CUTLER DIVISIONS, SAN JOSE, CALIFORNIA

SPRAGUE-SELLS DIVISION, HOOPESTON, ILLINOIS

PEERLESS PUMP DIVISION, LOS ANGELES AND FRESNO, CALIF.; CANTON, OHIO; QUINCY, ILLINOIS

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NIAGARA SPRAYER & CHEMICAL COMPANY, INC. DIVISION, MIDDLEPORT, NEW YORK



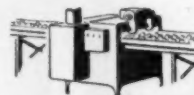
TYPICAL FMC PRODUCTS



FMC "WATER BUFFALO"
amphibious tanks. 7 of
FMC's 15 major factories
make "Water Buffalos"
or sub-assemblies.



FOOD CANNING MACHINERY
...complete line of equip-
ment for the processing
& canning of many types
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**FLAVORSEAL PROTECTIVE
PROCESS**...a porous film
to keep fruits and vege-
tables fresh longer and
reduce spoilage.



FMC FOG FIRE FIGHTER...
with 600 pounds nozzle
pressure, atomizes water
to extinguish hottest fires
almost instantly.



PEERLESS PUMPS... are
used wherever water is
pumped. For municipal,
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uses.



BEAN SPRAYERS for liquid
spraying of crops and
orchards. The most ver-
satile farm machine in
America.

**BUY WAR BONDS TO HELP WIN THE WAR — TO PRE-
VENT DICTATORSHIP FROM INVADING OUR SHORES
— TO KEEP SAFE OUR CONSTITUTIONAL FORM OF
GOVERNMENT AND OUR BILL OF RIGHTS INTACT**

Skyways Become Buy Ways

(Continued from page 27)

12 hours, the merchandise can be put on sale soon after it is made.

Through the flexibility of air transportation, goods can move directly from the manufacturer to the wholesaler or retailer without delay caused by set transportation schedules, or the interruption caused by the transfer from one mode of transportation to another. The saving in handling and delivery costs, quite apart from the faster time element, can be expected to offset to some degree the added cost of air shipments.

Then, too, speed in shipment offers less danger of price changes and quality deterioration, and may mean an appreciable saving in packing for shipment.

This aspect of aviation may revise many merchandising methods, particularly in stores remote from manufacturing sources.

The availability of air facilities will have a particular value to business organizations which make or sell high quality, high priced goods, in which style and service count heavily.

As the *Wall Street Journal* states: "American business men who deal in light-weight items with a high value per pound are going to sell more goods at longer range for less cost after the war."

This, the *Journal* explains, is the opinion of air cargo traffic experts who are accustomed to figuring expenses down to the last penny. Most raw materials, they say, and bulk manufactured goods will still travel by railroad, truck and ship. Many items, however, can and will be sent more profitably by air, these cost accountants believe.

Fashions by air

IN addition there is the special type merchandise upon which the additional cost of air shipment is of little moment.

There are approximately 2,000,000 retail merchants in our country today. During 1944, their volume of business probably exceeded \$65,000,000,000. Soon after the war, annual retail volume is expected to top \$100,000,000,000. A substantial portion of this volume will consist of so-called "fashion-merchandise." In the movement of this merchandise, air transportation is sure to figure prominently.

In these modern days of the movies, the radio, the press, and with television in

the offing, every Main Street in America is a fashion center. The newest styles in apparel, the newest trends in home furnishing, the most recent developments in the art of living—all become instantly revealed to folks in every section.

By means of air facilities, fashion merchandise will not only be made available overnight to style-conscious consumer-buyers, but risks of style obsolescence for the merchant will be lessened. Stores operating with lowered inventories will be able to feature small lots of quick-moving goods at the height of their fashion, then promptly replace them with still newer merchandise.

Air transportation will be widely used also for the delivery of high-priced merchandise, such as jewelry and furs—where margins are sufficient to absorb added forwarding costs—and for perishables.

Experiments are now being made in the shipment of fruits and vegetables direct from where they are harvested to stores thousands of miles away, all within a few hours. It is expected that, as the shipment of these perishables increases, eating habits may change.

No longer will it be necessary to grow

tough-skinned fruits to survive shipment. Exotic fruits from the tropics that cannot now be shipped successfully will be placed on dinner tables anywhere in the United States the day after they are plucked. Two of our great transcontinental airlines have already allocated entire airplanes for the shipment of food and others will follow.

The airplane may also provide an important answer for one of the farmer's greatest problems, that of distribution. Community landing facilities providing direct aerial connection with city markets may prove a bonanza to the agriculturist plagued with indirect, roundabout surface shipping facilities.

Air facilities should also mean easier buying, shorter trips, quicker orders.

Transportation speeded up

SEVERAL plans have been proposed in Congress for the construction of air landing facilities in every part of the country. Whichever plan is adopted, it seems certain that a nation-wide network of airports or air parks, flight stops and air harbors will be built within the next ten years. Through these facilities the airplane will move goods to people and people to goods.

I visualize the time, not too distant, when a retail merchant seeking a quick glimpse of metropolitan fashions, may fly his own plane to the market, do his buying and return to his store in a few hours bringing with him, perhaps, samples for his more discriminating customers.

There is no doubt that many salesmen and buyers will make increased use of the air for their trips to sell and buy merchandise. Numbers of them will fly their own planes. As a matter of fact, a number of manufacturers have already placed orders with small plane makers for business-use planes for their staffs.

Expanded air facilities will cut traveling time and pull large areas together. For example, Pan American Airways has already placed an order with Consolidated Vultee Aircraft Corporation for a postwar fleet of six-engined, land-based clippers with a range of 4,200 miles—and a capacity of 204 passengers and 15,300 pounds of baggage, mail and express.

The new plane will be double decked, 182 feet long, and will have a wing spread of 230 feet—more than twice that of the Liberator B-24 and equal to the height of a 21-story building. Cabins will be conditioned for operation at an altitude of 30,000 feet to

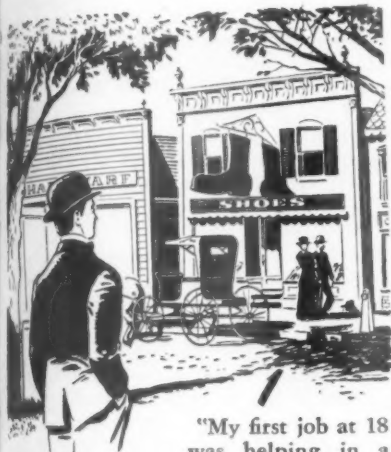


DOUGLAS

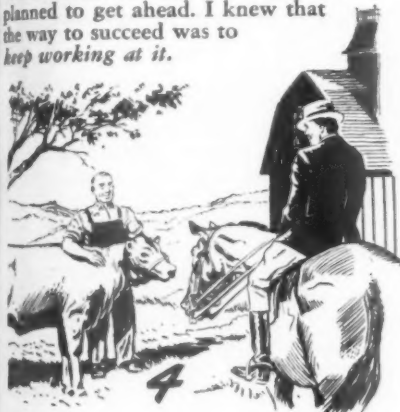
Stepped-up military needs have taught us how to move goods extensively by air

WANTED: More Men Like "MIKE"

Reading time: 1 minute, 57 seconds



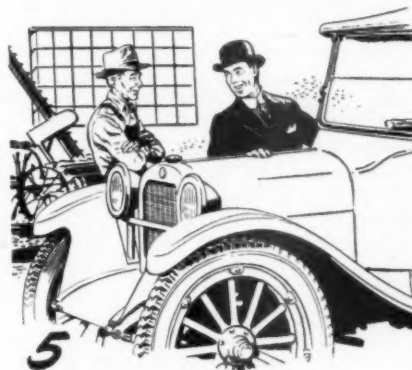
"My first job at 18 was helping in a shoe store. That was in 1900. With this modest start, I saved and planned to get ahead. I knew that the way to succeed was to keep working at it."



"Dealing in livestock I found I could cover ground faster in a car and do more trading. I bought one. A farmer-customer liked it and traded me some cattle for it. I sold the cattle and bought another car."



"Within a few years I had a shoe store of my own. I married and my wife helped me carry on the business. That gave me time to branch out and better myself. An opportunity soon came along."



"In 1918 I bought my first Dodge automobile, and about that time realized that more and more people were buying cars. I continued in the shoe business and livestock trading; but I also began selling cars for a local dealer along with farm machinery."



"One day I bought a horse; sold it at a profit and bought another. This business thrived and before long I acquired a livery stable as horse and cattle trading took me over the countryside."



"These various interests occupied me until 1927 when I became a Dodge dealer and devoted my entire time to this. I still operate this business along with a branch in a nearby town. Before the war, with nearly 100 employees, my automobile sales exceeded \$1,250,000 in a year."

Early in life Mike recognized and followed the traditional American formula for individual progress.

He knew that with freedom of opportunity to compete with others in serving the public, the best economical security anyone could have is initiative, energy and industriousness. He was confident that under the American way . . . with the public free to choose . . . he would reap rewards in proportion to the success of his efforts. That was all the incentive Mike needed.

This dealer whom we call "Mike" is the owner of a successful business today. His progress is

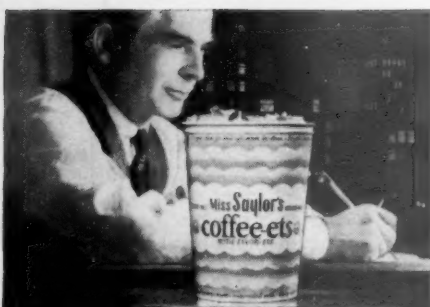
typical of the opportunities that exist in free competitive business.

With the return of peace this should again be true of the automobile business which has thrived by anticipating public needs and supplying them. Every branch of this industry should offer a bright future to alert, ambitious men.

CHRYSLER CORPORATION
PLYMOUTH ★ DODGE ★ DESOTO
CHRYSLER ★ DODGE Job-Rated TRUCKS

You'll Enjoy "The Music of Morton Gould" Thursdays, 9 P. M., E.W.T., CBS

KEEP ON BUYING WAR BONDS



FOR A
QUICK-UP PICK-UP

Miss Saylor's
COFFEE-ETS

THEY'VE GOT WHAT IT TAKES—
REAL CREAM • FRESH BUTTER
PURE COFFEE

You get the lift of coffee and the
taste of cream, for Coffee-ets
are blended by cooks who
know how to enhance delicate
flavors and true fragrances.

Keep a handful of Coffee-ets
in your pocket for the day's
last half hour. They're a
quick pick-up.

MISS SAYLOR'S CHOCOLATES, INC.
Encinal Avenue • Alameda, California

IN SAN FRANCISCO

On Market Street overlooking the Civic Center

500 ROOMS
FROM \$3

A patrician among hotels
HOTEL WHITCOMB
MARKET AT EIGHTH
KARL C. WEBER
Operator

HOTEL WASHINGTON
GRANT AVE. AT BUSH
In the downtown
Shopping Center
Moderate Rates
PANAMERICANA
COCKTAIL
LOUNGE
Ownership Management—Karl C. Weber

Buy More
WAR BONDS

avoid storms. Cruising speed of this clipper will be about 340 miles an hour. Thus London will be about nine hours from New York.

After the war, all the world's big cities will be within a comparatively few hours' distance of each other. Merchandise shows can be moved from one to the other promptly. Even now, Paris fashions are reaching American cities by air.

Foreign markets close at hand

SOUTH American cities will be as near to us—in hours—as San Francisco, Los Angeles and Miami were to New York a few years before the war. Those South American cities are active fashion markets. In each of them are numbers of people who want to live as well, and can afford to live as well, as do people on Park Avenue, Chicago's North Shore and San Francisco's peninsula market. There will be a race for these markets but it will be a race of ideas, quality, style and service. The United States with its great air fleets should be in a leading position in that race from the start.

International trade must become increasingly important to us after the war. Henceforth, the airplane and international trade will be inseparable. As one airline official has pointed out, the speed of air transportation makes us think in terms of hours and minutes instead of weeks or months or miles—and discard all our old yardsticks.

He points out that it is no longer 11,300 miles, and 31 days, from Philadelphia to Chungking. Great circle air distance reduces the miles to 7,500, and flying cuts the time to 38 hours. Merchandise can reach markets in Moscow in 23 hours after it leaves New York. People and products can go from San Francisco to Brisbane in 35 hours instead of the former 21 days.

Domestic air transportation has shrunk our country to the size of Pennsylvania and international air transportation will shrink the world to the size of the Mississippi Valley, in terms of time required to move persons and goods by air. Airline executives consider that air cargo in international trade will become an important part of American commerce, even at the higher rates, because deliveries will be about 20 times faster.

That brings up the question of cost, ever present in discussion of air transportation. In general, air freight costs under 80 cents a ton-mile, but manufacturers are convinced that mammoth cargo planes may bring rates as low as 15 cents a ton-mile on long

hauls. But, if air shipment saves valuable time, other cost factors are eliminated. Then the use of air may be practical and even economical.

There are other elements of merchandising which will be concerned with the development of aviation. Take deliveries of merchandise by large retail stores, for instance. (One aviation editor has facetiously referred to these as "bundles from heaven".)

Seriously, however, store deliveries by air, especially when helicopters, autogiros, or roadable planes reach a point of development where they are suitable for such use, are definitely contemplated. A number of stores have already applied to the Civil Aeronautics Board for permission to operate delivery aircraft. These include Filene's of Boston, Hecht Company of Washington, Mandel Brothers of Chicago, Thalheimer Brothers of Richmond and Boston Store of Milwaukee.

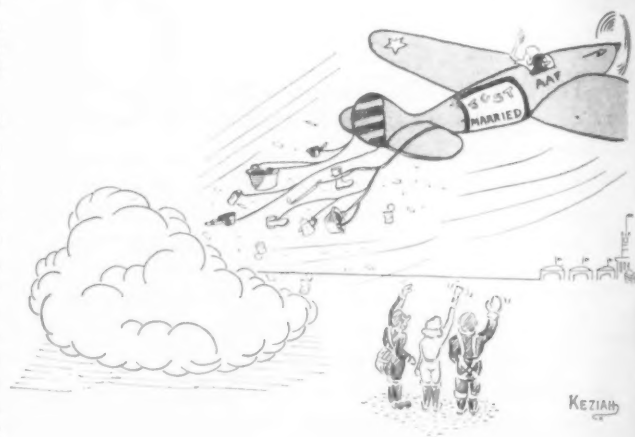
There is still another merchandising angle to which comparatively little publicity has been given, and that is the sales of small airplanes and helicopters by department stores and other retail and service firms. You need not be surprised to see several of our leading store windows featuring airplanes for personal use, almost any day now, and certainly after the war ends.

Rapid growth for aviation

THERE can be no doubt that, when the war is over, civil aviation is in for a growth somewhat similar to that which the automobile industry enjoyed at the turn of the century. Returning home from the war will be thousands of boys who have learned to fly. Other thousands, both soldiers and civilians, will have become highly skilled in servicing airplanes and in the administration of flying fields. They will constitute a great air-minded section of public opinion.

These men, and women, too, will also demand personal airplanes—not in the great volume experienced by the automobile industry, certainly, but in a volume such as few people realize now.

The development of feeder airline services will also do much to bring "people to the goods." While our great transcontinental airline systems will con-

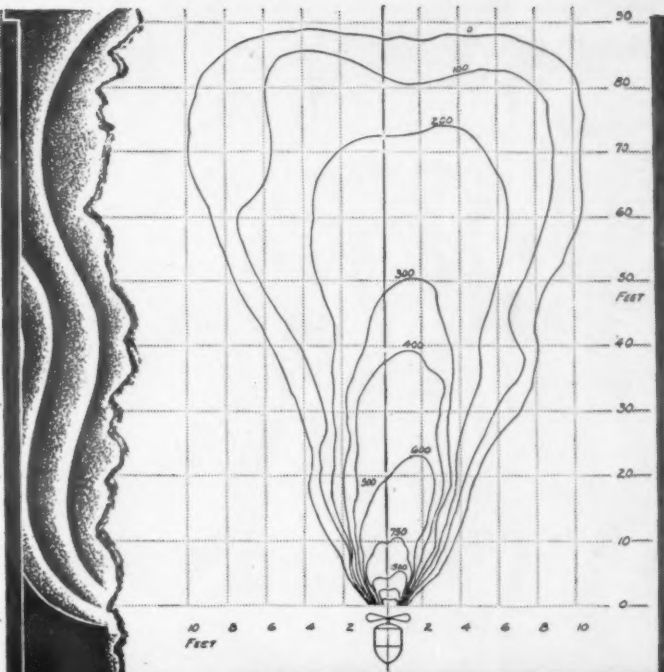
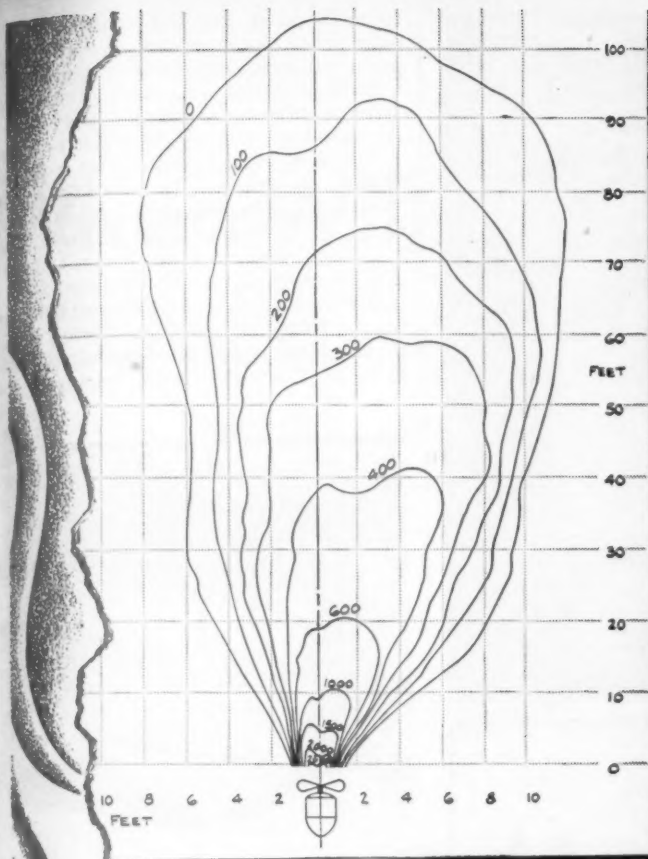


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KEZIAH
July, 1945



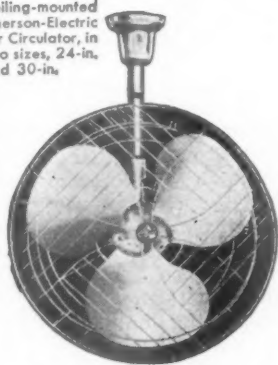
ABOVE... Air-distribution curve of Emerson-Electric 24-in. A.C. and D.C. Air Circulators, operating at high speed.

LEFT... Air-distribution curve of Emerson-Electric 30-in. A.C. and D.C. Air Circulators, operating at high speed.

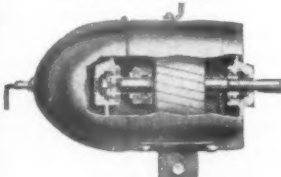
WHAT A BREEZE - - -

110 FT. LONG - - - 20 FT. WIDE!

Ceiling-mounted Emerson-Electric Air Circulator, in two sizes, 24-in. and 30-in.



Also available with wall-bracket, counter-column and floor-column mountings.



6000 HOURS without re-lubrication. Long motor life assured by special thrust-type ball-bearings.

Once again, it's the busy season for Emerson-Electric Air Circulators—thousands will be quietly at work adding another "service stripe" to an already long record of continuous, hot-weather operation.

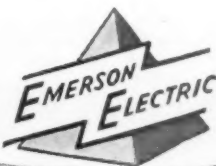
What they do for you is quickly told in the breezy charts above. Note how the 30-in. size sets up an air path 110 ft. long by 20 ft. wide—the 24-in. size keeps air moving over an area up to 80 ft. long by 19 ft. wide. In each case, the figures on the curves indicate air velocity, in feet per minute, at various distances from the fan in an unobstructed area.

NEW SUPPLY AVAILABLE... There are a limited number of new Emerson-Electric Air Circulators available on suitable priorities. See your dealer for details.

THE EMERSON ELECTRIC MANUFACTURING COMPANY • ST. LOUIS 3, MO.

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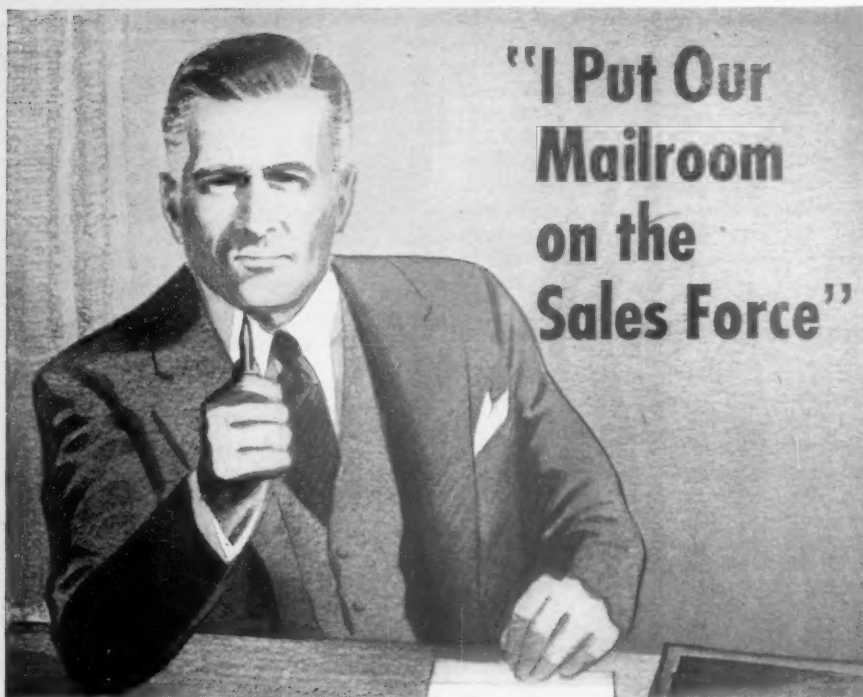
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MOTORS • FANS

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"THAT'S WHY WE CONSIDER our mailroom an important member of our sales force . . . why we put it under the supervision of a competent person and equipped it with USPM mail-handling machines and systems."

Plan now to modernize your post-war mailroom with USPM machines and systems. Call in your U.S. Postal Meter specialist today.

"IT'S EQUALLY IMPORTANT that all further correspondence with them is carried on promptly. Sales can be lost by having our follow-up letters delayed in a jammed-up mailroom. Sales can be made by getting these letters to trains and planes on time."



Metered Mail Systems . . . Postal and Parcel Post Scales . . . Letter Openers . . . Envelope Sealers . . . Multipost Stamp Affixers . . . Mailroom Equipment. (Many units available.)

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U. S. POSTAL METER DIVISION

Rochester 2, New York
Branches and Agencies in Principal Cities

tinue to carry people and merchandise over great distances, smaller air transports will crisscross the country.

Thus, a farm wife, now almost isolated, so far as marketing in the big city is concerned, may be able to drive a few miles to a route serviced by a feeder airline. Or, she will be able to transfer from the smaller transport plane to one of the big liners, and within a few hours go from her farm direct to great city markets anywhere in the nation.

Air transportation represents a new way of doing things. It will bring about a changed pattern of economic life. Its effect will be felt in every business.



Hot Meals in Air

When bombs are away over Tokyo and U. S. Superfortresses turn their long noses back toward their base, crew members can have a warm meal.

It used to be just sandwiches and coffee or tea out of a thermos jug. Not any more. Now the heavy bombers carry a compact electrically heated unit that provides a full meal.

Months ago representatives of the Tappan Stove Company at Mansfield, O., came to Washington with a model "galley" which they suggested be installed on planes for long flights. Army officials looked the model over and went into conference.

Experimentation resulted in a new unit weighing only 70 pounds when packed with food and drink. The galley, about 17 inches square and half that deep, has six trays, 12 cups and an auxiliary storage drawer in which can be kept fruit, butter, condiments, stainless steel spoons, sugar, salt and pepper shakers, and a metal pouring spout.

On flights the galley has carried meals including tomato soup, beef pot pie, potatoes, beets, peas, cornbread, butter, jam, applesauce, cake and hot coffee.

The food is prepared at the planes' base and put into the warming unit. The unit is then plugged into any outlet carrying 115 volts. When the flight is ready, the warmer is transferred to the plane and plugged into an outlet on the plane.

Tests showed no significant increase in bacteria when food was kept in the galley for 18 hours.—KEN WOODMAN

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"When Will I Get a New Car?"

By ART BROWN

NEWS THAT WPB would permit the automotive industry to resume making passenger cars after July 1 sent optimistic individuals hurrying to dealers to order new cars.

Some dealers report having received more orders for new cars in the first week after the auto reconversion announcement than in the previous year.

In some cases, eager "buyers" went from dealer to dealer and signed up for a new car at each place, trying to assure early delivery. To discourage this, some dealers demanded a down payment of \$200 or more.

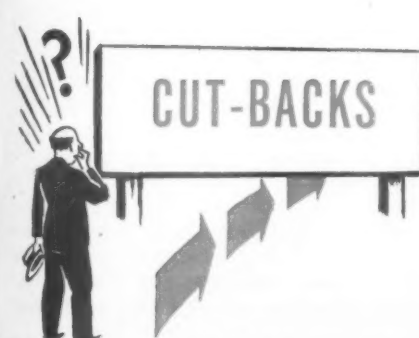
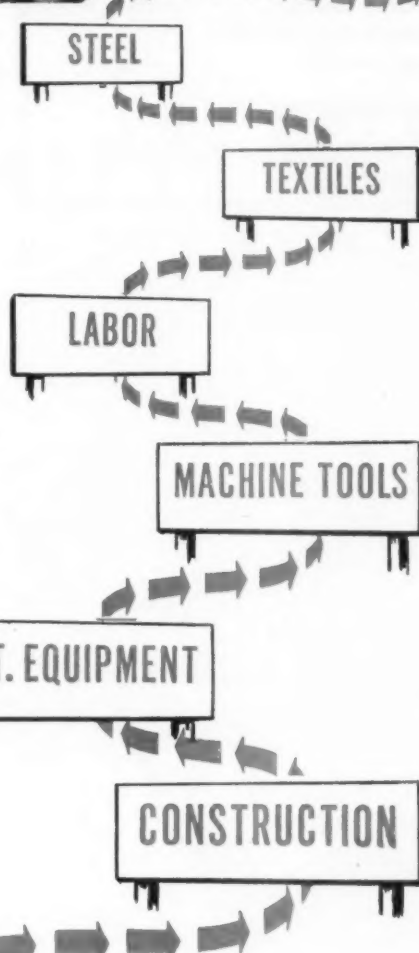
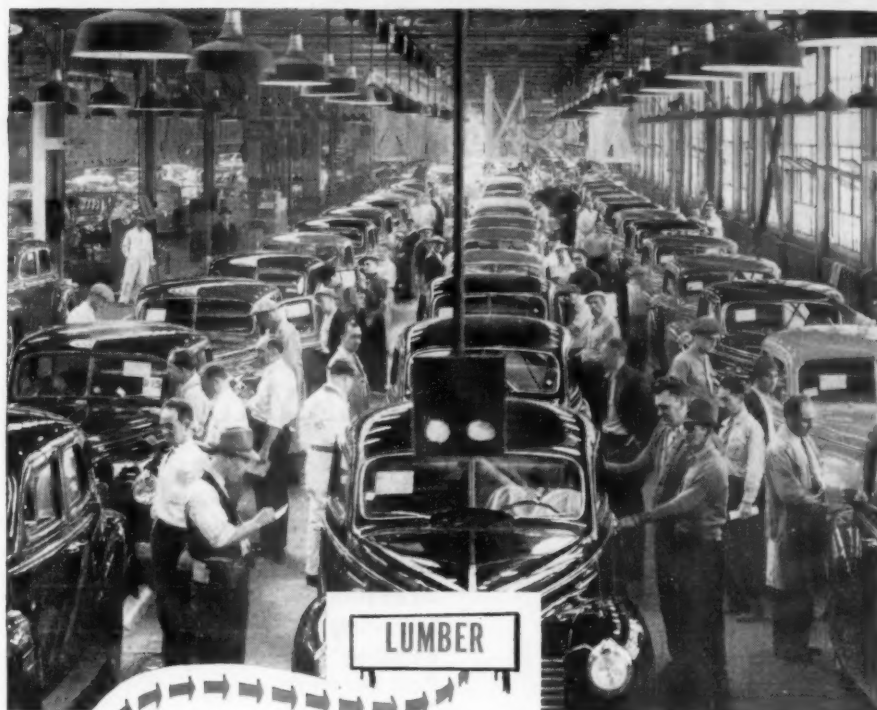
Certain dealers, incidentally, are keeping in mind service men overseas by holding every fourth or fifth place on their delivery priority lists open for veterans.

"Demand for used cars fell off when people heard new cars were coming back," dealers report.

"The price of used cars has taken a tumble.

"And a lot of car owners have quit having any more repair work done than is absolutely necessary," one dealer adds. "They used to come in for a complete overhaul job. Now all they want is enough repair work to keep going. They're saving their money for a new car."

Most motorists, however,



may have to wait longer than they imagine before they can sit behind the wheel of a new automobile. Here's the situation:

The automotive industry has finished most of its war job. Willow Run, for example, having completed more than 8,500 Liberators, has shut down. For every day it was in operation, Willow Run turned out well over 12 B-24s. At its peak it employed 42,000 workers.

Henry P. Nelson, WPB automotive industry reconversion coordinator, has hinted that auto manufacturers with war contracts which can be transferred to plants in other industries may be relieved of them.

The War Manpower Commission has declared Detroit a surplus labor area, relaxing major manpower controls, discontinuing job freezing—and lifting manpower ceilings and the 48-hour week.

Auto manufacturers, fearing an unemployment problem, want to speed up reconversion.

"Unnecessary unemployment in our industry resulting from slow reconversion would be far-reaching," says George Romney, managing director of the Automotive Council for War Production, "could upset the whole war program and delay Japan's defeat."

WPB has given the industry the go ahead on 200,000 passenger cars for this year and 400,000 for the first three

RECONVERSION is under way in the auto industry but before enough new passenger cars can be produced to meet present needs, serious obstacles will have to be overcome

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Spinning
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Assembly

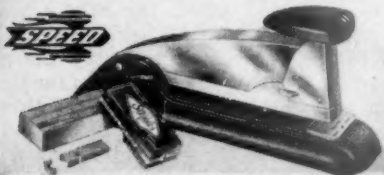
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Acetylene Welding
Shearing
Bending
Roll Forming
Sheet Metal
Small Tool Work

Consulting Engineering

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Mechanical simplicity is one of the features which make SPEED Swingline STAPLERS preferred above all others... Just swing back the head and drop staples into wide open channel... "SPEED" guarantees life-time trouble-free stapling \$1.50-\$5.50.



Ask for GENUINE, 100% ROUND WIRE "SPEED" STAPLES. In original Red, White and Blue carton only. GUARANTEED UNCONDITIONALLY. Precision-made; uniformly perfect alignment; achieve smoother penetration; free from the excess glue that causes machines to clog. GENUINE "SPEED" STAPLES are best for any standard machine!

SPEED PRODUCTS COMPANY
Long Island City 1, N. Y.



LHS Pipes \$1.50 to \$10—AT ALL GOOD DEALERS
L & H Stern, Inc., 56 Pearl St., Brooklyn 1, N. Y.

months of '46, assigning each manufacturer a quota based on 1941 output.

The companies hope to turn out a few units by October or November and to have new cars coming off the assembly lines in substantial numbers by December. Goal for the first full year of production is 1,000,000.

This will be no easy achievement.

For one thing, manufacture of civilian trucks takes precedence over passenger cars. Truck builders have priorities in the use of materials.

Other problems plague the passenger car makers:

Uncertainties about cut-backs—

The companies are hampered in their planning by not knowing which war contracts will be continued until victory in the Pacific.

"For many months," say company executives, "we have been pressing Army and Navy procurement services for information about terminations, but until recently procurement officers have been under orders not to give out such information."

"Even now, there are many uncertainties, some of them unavoidable."

Construction—Before the companies can produce passenger cars, they must first rebuild facilities which were dismantled when the industry changed over to war work. To restore the plants so that the industry will be able to operate on civilian production on a break-even basis (break-even point is 2,146,786 cars a year, the industry estimates) will require about \$29,000,000 worth of new construction.

Not all of this work has to be done at the outset but any construction delay caused by manpower or material shortages will mean a longer wait for new cars.

Government equipment—For more than a year, reports the Automotive Council, the auto firms have been trying to get permission either to move out idle government-owned machine tools so the companies could install their own machine tools, or to buy government-owned equipment.

Machine tools—WPB recently granted the industry priorities for about 4,000 new machine tools—about \$40,000,000 worth—but, say industry spokesmen, it would be better had this action been taken more than a year ago.

Much of the new equipment—lathes, drills, grinders, planers, milling machines—will be delivered in good time, but the giant presses for stamping out body panels, fenders and other sheet metal parts may not arrive by September. Lack of one or two pieces of this key equipment could hold up auto re-conversion.

Labor—Even though the required machine tools are on hand when needed, the industry may have difficulty—on account of labor—getting the new equip-

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a big city restaurant or
a small town locker plant

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Look to Frigidaire*



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refrigeration equipment. Here
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- Markets and delicatessens
- Drug stores
- Locker plants
- Summer camps
- Institutions
- Bakeries
- Private and general offices
- Homes and apartments
- Army camps
- Trucks and buses
- Beauty parlors
- Shoe stores
- Broadcast studios
- Funeral homes
- Ships and trains
- Apparel stores
- Barber shops
- Farms and dairies
- Telephone exchanges
- Conference rooms
- Banks
- Taverns and cocktail lounges
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York, Chicago, Pittsburgh, Philadelphia, and Detroit for the home-
cooked quality of their foods. Stouffer's, like many other restaurants
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Two Ways to Solve A Tough Packaging Problem



1
DREAM ABOUT IT
AT THE
BRIDGE TABLE



2
PUT IT UP TO
Dennison

Your No. 1 customer, at this moment, is probably the United States Government. But you have new, peacetime products in mind. And besides problems of design and production, you are thinking about packaging. A set-up box to increase the unit of sale? A printed band to give a seasonal note? A transparent overwrap to prevent soiling? Or perhaps a colorful tag or label to focus attention on special selling features?

That's where Dennison comes in. Here in a *single* organization you can find the answers to a variety of the questions raised whenever packaging in general is considered. So whether you're pondering one possibility, or more, put your problems up to

Dennison

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We'll be glad to help you plan today the set-up boxes or packaging accessories that can be manufactured tomorrow. Present production is given over to war work, but development work with leaders of American industry still goes on. You, too, can make our century of varied experience yours by writing to Dennison Mfg. Co., 74 Ford Ave., Framingham, Mass.

TAGS • LABELS • SEALS • SET-UP BOXES • MARKING SYSTEMS • PAPER SPECIALTIES

ment installed and functioning. Both the United Automobile Workers (CIO) and AFL building trades unions seem to want jurisdiction over the moving of government equipment, remodeling the plants and setting up peacetime machines. A dispute here could keep production workers off the job despite the industry's best efforts.

War workers have been enjoying fat overtime pay envelopes and, in some plants, a minimum of discipline. The average worker does not want to go back to a harder work week with less take-home pay. Several unions in Detroit have already threatened to battle for full 48-hour overtime pay for 40 hours' work.

Disagreement over veterans' seniority could also hold up auto reconversion.

Both the companies and UAW want to give each veteran seniority equal to the length of his military service—but with this difference: The companies want the veteran's seniority to be in effect the day he applies for a job. UAW, on the other hand, does not want his seniority to apply until he is back on the job again. This would protect the worker now employed.

The companies hold that workers who came into the plants expressly to do war work should not be allowed to hang on to their jobs to the exclusion of the service men. If all "temporary war workers" who have earned seniority have to be retained, they contend, few veterans will be able to get jobs.

UAW seems to feel that the companies would like to weaken the union by turning the jobs of dues-paying war workers over to veterans.

Scramble for materials

EVEN when all the other problems are met and solved, the difficulty of obtaining materials remains.

WPB has "programmed" 800,000 tires for new cars expected to be produced this year—the cars will be delivered without spares—but has not granted priorities on any materials needed in the construction of the cars.

"We'll scramble for free materials," industry executives say. "We'll take our chances on getting what we need."

Among other things, the scramble will involve:

Textiles—The auto industry must have broadcloth, mohair, carpet, cotton sheeting and burlap on hand 60 days before the first cars come off the production lines. The average passenger car requires about 56 yards of goods.

The cotton mills—at present short about 200,000 workers—may be a bottleneck.

To make matters worse, military requirements for textiles will remain high throughout 1945.

Steel and other metals—WPB officials say a maximum of 3,000,000 tons of steel may be released before fall for civilian use. Military cut-backs, how-

ever, have not yet reached the steel industry in large volume.

The auto industry needs principally sheet steel which requires more labor to make than plate steel for war. Sheet steel mills are short-handed. WPB, in fact, lists sheet steel as the tightest of all raw materials essential for reconversion to civilian production.

Also tin, zinc, lead and copper, all used in automobiles, are short.

Lumber—Practically no lumber is used in passenger cars, but tremendous quantities will be needed to crate leftover war goods and for skids to move machine tools. One company has estimated that it alone will require 15,000,000 board feet.

Lumber is scarce. Production is running almost 20 per cent under last year's levels. The industry lacks manpower, is short of equipment, trucks and heavy-duty tires.

Industry is confident

DESPITE the obstacles, the auto industry expects to be turning out passenger cars at the rate of 2,000,000 a year by the end of 1946. Normal peacetime production was 3,000,000.

Contrary to earlier reports, the new cars produced this year will not be merely 1942 models with a new grill or a few new curves on fenders, hoods and rear deck panels. There will be important changes under the hood as well, most of them not yet being publicized.

Technical improvements developed in the course of war work will be incorporated in the new car engines, insofar as possible, industry spokesmen promise.

Since Pearl Harbor we have lost 4,500,000 cars and are junking others at the rate of about 4,000 a day.

Of our present 25,000,000 cars, 25 per cent are at least 11 years old, 58 per cent are seven or more years old.

The industry expects production by the end of '47 to range between 4,000,000 and 4,500,000 a year—with a possible later peak of 6,000,000.

On the lower basis, it will take about five years to meet urgent demands. At the peak rate it would take more than two years.

"Civilian autos produced in '45 will be tightly rationed," says WPB Chairman J. A. Krug, "to meet the needs of essential transport."

The new cars will go to government officials, doctors, nurses, veterinarians, ministers, service men, not just to anyone who happens to have the money to buy.

From this, the average motorist may be able to determine the answer to his question, "When will I be able to get a new car?"

Perhaps his best bet is to be patient—and to continue to take good care of the automobile he now owns, even though he has an order in for a new one.

INSURANCE CALENDAR



On July 7, 1930, work started on Boulder Dam in Colorado River's Black Canyon. Highest in the world (726'), Boulder Dam is one of the gigantic hydro electric developments responsible for bringing U. S. power rates down to their present low.

Everything these government-financed developments have done for power rates, the capital stock fire insurance company-financed National Board of Fire Underwriters has done for property insurance rates: today, 40% below 1914 levels!

1945—JULY hath 31 days

"Order next winter's fuel now!"

ASTRONOMICAL CALCULATIONS

EASTERN STANDARD TIME

JULY	Latitude +30°		Latitude +35°	
	SUNRISE	SUNSET	SUNRISE	SUNSET
1	5:02	7:05	4:49	7:18
6	5:04	7:05	4:52	7:18
11	5:06	7:04	4:55	7:16
16	5:09	7:03	4:58	7:14
21	5:12	7:00	5:01	7:11
26	5:15	6:57	5:05	7:08
31	5:18	6:54	5:08	7:04

JULY	Latitude +40°		Latitude +45°	
	SUNRISE	SUNSET	SUNRISE	SUNSET
1	4:34	7:33	4:17	7:50
6	4:37	7:32	4:20	7:49
11	4:41	7:30	4:23	7:46
16	4:44	7:27	4:28	7:43
21	4:48	7:24	4:32	7:39
26	4:52	7:20	4:38	7:35
31	4:57	7:15	4:43	7:29

JULY	Latitude +30°		Latitude +40°	
	MOON-RISE	MOON-SET	MOON-RISE	MOON-SET
1	11:46	10:56	11:52	10:49
3	12:25	1:04	12:22	1:09
5	1:41	3:15	1:27	3:32
7	3:11	5:26	2:47	5:53
9	5:01	7:25	4:34	7:52
11	7:02	8:59	6:38	9:20
13	8:59	10:13	8:45	10:24
15	10:47	11:15	10:44	11:15
17	12:32		12:40	
19	2:20	12:47	2:37	12:33
21	4:12	2:02	4:37	1:39
23	6:04	3:38	6:32	3:10
25	7:45	5:35	8:08	5:10
27	9:11	7:44	9:23	7:29
29	10:26	9:53	10:25	9:50
31	11:41	12:02	11:28	12:11

To obtain local times of sunrise and sunset for longitudes other than the standard time meridians (i.e., 75°, 90°, 105°, and 120° for Eastern, Central, Mountain, and Pacific Standard Time), decrease the time four minutes for each degree east of the standard meridian, or increase the time four minutes for each degree west of the standard meridian.

- 1—Su.—1863, Battle of Gettysburg began.
- 2—M.—*Last Quarter, 1:13 P. M., E. S. T.*
- 3—Tu.—1898, naval Battle of Santiago.
- 4—W.—INDEPENDENCE DAY
- 5—Th.—British General Election.
- 6—Fr.—1944, worst disaster in American circus history at Hartford, Conn.—168 dead.
- 7—Sa.—1898, annexation of Hawaii.
- 8—Su.—1892, \$25,000,000 loss, St. John's, N. F., fire.
- 9—M.—*New Moon, 8:35 A. M., E. S. T.*
- 10—Tu.—1890, Wyoming admitted to Union.
- 11—W.—1863, start of N. Y. C. draft riots.
- 12—Th.—*Are you protected against losses from riots? Ask your Agent or Broker—he'll know!*
- 13—Fr.—1866, laying of 3rd Atlantic cable began.
- 14—Sa.—1944, Russians 54 miles from East Prussia.
- 15—Su.—1918, German attempt to cross Marne stopped.
- 16—M.—1790, District of Columbia established.
- 17—Tu.—*First Quarter, 2:01 A. M., E. S. T.*
- 18—W.—1944, Tokyo announced loss of Saipan.
- 19—Th.—1943, 521 USAAF planes bombed Rome.
- 20—Fr.—1881, Sitting Bull, Sioux Chief, surrendered.
- 21—Sa.—*One reason fire insurance rates are low—only 2½¢ of every premium dollar goes for profits.*
- 22—Su.—1916, 10 killed, 40 wounded by bomb explosion in San Francisco's Preparedness Day Parade.
- 23—M.—1916, Hindenburg's Riga line pierced.
- 24—Tu.—*Full Moon, 9:25 P. M., E. S. T.*
- 25—W.—1909, 1st airplane crossed English Channel.
- 26—Th.—1856, birth of George Bernard Shaw.
- 27—Fr.—1919, 31 killed in Chicago race riots.
- 28—Sa.—1914, Austria declared war on Serbia.
- 29—Su.—*Have property insurance reviewed regularly!*
- 30—M.—1863, Henry Ford born.
- 31—Tu.—*Last Quarter, 5:30 P. M., E. S. T.*

OBSERVATION for July: With rates 40% below 1914 levels, this is definitely the time to repair gaps in property insurance coverage caused by the 31% increase in replacement prices of the last five years.

MORAL for July: Call your Agent or Broker today!

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Fire—Automobile—Marine

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DOMORE CHAIR COMPANY, INC.
 DEPT. WB, ELKHART, INDIANA

Let Workers Write the Pay Checks

(Continued from page 24)

wage plans now operating in several thousand plants, shops and factories throughout the United States, and employing more than 1,000,000 workers, as reported to the WPB Management Consultant Division are:

Increased production per man hour	40%
Average wage increase	18%
Average unit-cost reduction	12%

These represent only the wage incentive plans installed during recent war years. On the basis of 1,000,000 workers operating under these plans, this is the equivalent of the use of 400,000 additional workers.

In a good many of the companies which have adopted incentive wage plans, labor-management committees have joined in consulting with the WPB advisers about the rates and technique to be followed.

Neither the Government nor labor unions have established any regulations limiting the amount of war material production or fabrication, provided labor receives a part of the increased income

resulting from increased production. If 60 units has been established by custom as the standard of production from a machine per hour or day, you would not, of course, expect a man to give you 100 units for the same amount of money he now receives for turning out 60, when he knows that you are getting money for the additional 40 units.

Workers get part of savings

EVERY contract signed by a labor union provides for re-rating any job when there has been a methods change. But in re-rating a job, the policy approved by Government must be followed. At least some portion of the savings resulting from increased production must be directed into the pay checks of labor.

There can be no standard plan or uniform structure for a successful incentive wage program. Conditions vary in each company.

A company contemplating installation of such a plan should recognize that there are unintelligent as well as intelligent plans, impractical plans as

Results from Wage Incentives

IN the Chicago area, a group of 62 companies reporting results from incentive wage plans showed an average increase above past performance of 38.28 per cent, with an average decrease in unit costs of product of 14.62 per cent, while workers' earnings increased 17.11 per cent.

Typical examples of the functioning of incentive wage systems, taken from these cases, are:

Type of Production	Gain in Pay	Gain in Output	Drop in Unit Cost
Switch gears	3 %	3 %	0 %
Gears and motor parts	12 %	7 %	44.5 %
Fans and blowers	10 %	10 %	0 %
Condensers, radio	3.2%	3.2%	0 %
Laundry	14.5%	22 %	10 %
Wood products	18.5%	27.5%	14.1%
Corn products	9 %	13 %	4 %
Radio and radar	20.6%	78.7%	36.9%
Pistol belts	25 %	25 %	0 %
Canned foods	2 %	10 %	8 %
Aluminum castings	56 %	71 %	7 %

On the basis of increased productivity, the introduction of wage incentive plans in the 62 plants was equivalent to adding 4,014 skilled workers. Moreover, the increased production was obtained without endangering or sacrificing quality. Quality and precision are "musts" when you are manufacturing radar equipment, radio parts, gears, condensers, fans, motor parts and aluminum castings.



TO COOK STEEL...THEY *"PASS the SALT"*

JUST ASK a steel worker what "pass the salt" means. *He* knows.

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Such punishment brings a peril that can strike with paralyzing potency—*heat cramps*. Yet—day in, day out—this worker never falters. What then is the secret of his immunity?

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Here is one more example of Sterling Salt at work for American industry... fulfilling tasks so vital that today *International* has come to be known as "Salt Headquarters." By the same token business executives the country over have learned to rely on Sterling's dependability. And they've learned, too, how to improve production... how to save man-hours and money... by utilizing *International's* unique salt processes.

International Salt Company

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*Sterling Salt for Industry,
Agriculture, the Home*



Men of importance are limited less by their gifts than by lack of time.

Thus the business letter must often become the personal emissary of the executive.

It is obviously important that each such emissary bear the mark of executive distinction. It should speak for the writer not only through content and phraseology, but through appearance and tangible substance. It should reflect the prestige of its author.

Your letters will be thus distinguished...

if they are written on America's most distinguished stationery, Ecusta Fine Flax business and air mail paper.

Made from American-grown virgin flax fibre, Ecusta stationery has no equal in America today for whiteness, beauty of texture, dignity and character.



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well as practical. Therefore, any plan to be sound and successful must be the result of analysis and scientific design. Here are points to keep in mind:

1. The plan should definitely increase production as well as wages and not increase costs.
2. The standard rate and the incentive differential must be set at the right levels to be practical and beneficial to both management and men. If too low, the incentive differential will fail to inspire and reward the extra effort; if too high, the whole program will backfire.
3. The plan should be sufficiently simple to be thoroughly understood by those to whom it applies—the workers.
4. The plan should provide for the changing of production standards whenever changes in methods, materials, equipment or other controlling conditions are made in the operations represented by the standards. To avoid misunderstandings, the nature of such changes should be made clear to the employees, or to the union, which should have the opportunity to appeal through the grievance machinery.

The basic principle and essence of the incentive wage is best expressed by Director Nickerson of the WPB Management Consultant Division:

"Profits and the possibility of salary increases have been the chief means of encouraging management to do its best. Wage incentives were established to provide the seemingly necessary economic motive to create a desire among workers to do their best in increasing productivity.

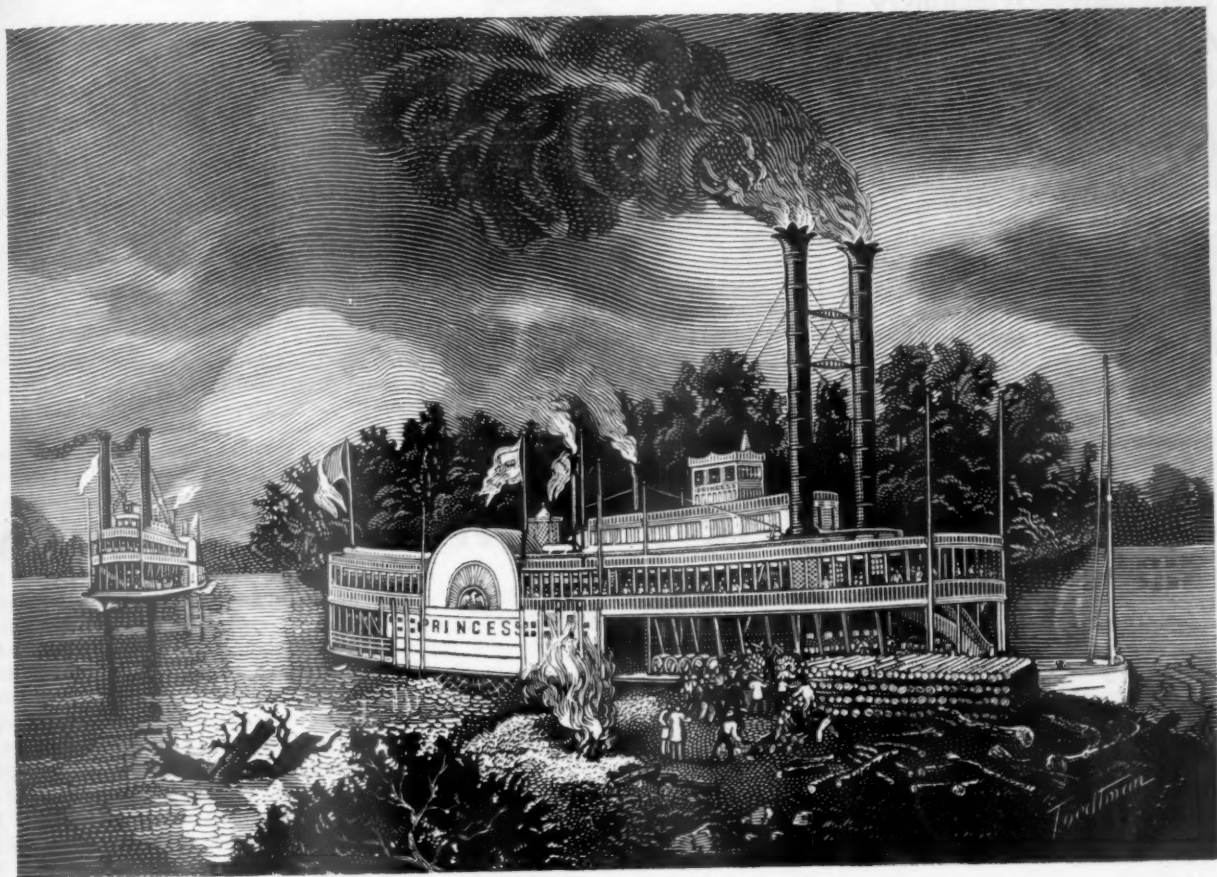
"For completely satisfactory results of such a program, two fundamentals are necessary: Sound technical principles and practices; and an understanding and cooperative attitude between management and labor."

If the profit motive—that is, the lure of gain, the incentive of reward—is the heart of free enterprise and the capitalistic system, by what logic can we insist that rewards be available to some and not to all, or that incentives will induce greater effort from some men, but not from all?

Wages alone will never cure or stabilize the labor problem, because the saturation point will never be reached. Allowing the relationship to rest upon fixed wages or straight hourly rates will always provide an issue for the perpetuation of conflict.

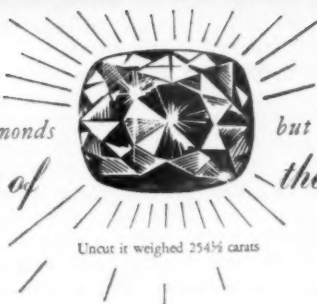
It is an injustice to pay equal wages to unequal men, or unequal wages to equal men.

When we stop regimenting groups of workers under the yoke of uniform pay, then and only then will we remove the attitude of, "How much shall we do today?" and substitute the spirit, "How much can we do today?"



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"Star of



but there is only one

the South"

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Proof
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There's Only One

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DIVIDEND NOTICE

Common Stock Dividend No. 118

A cash dividend declared by the Board of Directors on June 13, 1945, for the second quarter of the year 1945, equal to 2% of its par value, will be paid upon the Common Capital Stock of this Company by check on July 16, 1945, to shareholders of record at the close of business on June 29, 1945. The Transfer Books will not be closed.

E. J. BECKETT, Treasurer

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Erie's Farmers Go to Town

ERIE, PA. (pop.: 125,000), is one town that makes a specialty of promoting, selling and using the crops of its rural neighbors.

When cherries are ripe the restaurants feature fresh cherry pie and other cherry dishes. The food and other retail stores vie with one another over attractive displays. The schools and newspapers tell about the growing and care of cherries and how to serve and preserve them. There is a pie-baking contest, the winners of which, before the war, went to Chicago to enter the national cherry-baking battle.

At apple-time similar activities take place. Prize apples are put on display and blue ribbons given for the best quality and the most attractive exhibit. During "Apple Week" farmers and their families are on hand at various stores to give information on the kind of apples to buy for eating, making sauce or pie. Radio and newspapers feature the slogan: "Eat and Cook with Apples Grown in Erie County."

When the grapes are ripe the growers, merchants, schools, newspapers and radio groups are all set for another round of exhibits, prizes and the giving out of information on what to do with "Erie" grapes—how to make grape juice, wine and jelly.

Thus it goes with every crop of importance—the city merchants pulling for the farmers' harvest of potatoes, maple syrup, melons and tomatoes. A recent strawberry festival was so outstanding that one of the major broadcasting companies sent a representative to get details for a future program.

"Suburban Day" inaugurated

IT ALL began with the Retail Merchants Association. A few years ago someone asked, "Does anyone know how much business Erie merchants get from nearby farmers?"

The answer was "No," even though the surrounding country is populated

with farmers who live in well-built brick houses with modern conveniences, use electricity and up-to-date methods and machinery, send their children to college and often spend their winters at Florida resorts. But when the special Trade Extension Committee came back later with a report, one part stood out:

"Farmers in our section make money," it said, "but they could make more. They have large families and are mostly cash buyers. They spend some money in Erie, but they'd spend more if we took the trouble to show them what's here."

And so it came about—after some preliminary flurries—that a "Suburban Day" came into being, with the electric railway giving half-fare rates and the bus lines offering special round-trip prices. Merchants ran advertisements of "features" in the two daily papers, both of which, in turn, came out with a vigorous weekly farm page. Then A. W. Volmer, general manager of Trask, Prescott & Richardson (department store) offered store space for any exhibits the farmers would like to hold. Others followed suit, and the County Grange invited representatives of the Manufacturers' Association and Erie's Chamber of Commerce to a "Let's get to know what each other is doing" meeting.

It wasn't long before "Suburban Day" became an institution to the 100,000 rural neighbors not only in Erie County but also along the lake shore in New York and Ohio. It put Thursday close on the heels of Saturday in dollar volume, which didn't make the merchants unhappy. Even though "Suburban Day" is out for the duration, its impetus goes on.

Dollars are not the only result. Erie is one of the few places in the nation which has had no farm-help problem, nor will it have any this year. High school boys and girls signed up for the cherry and strawberry picking seasons; and the townsfolk backed a campaign to enlist local people to help harvest the crops.

—JULIETTA K. ARTHUR

About Our Authors

Donald Despain: Head of Donald Despain & Company, Chicago, industrial relations counsellors, is actively interested in all phases of conciliation, wage problems, employee policies and retirement plans.

Benjamin H. Namm: Is President of the Namm Department Store in Brooklyn. He is also president of the National Retail Dry Goods Association and a former director of the United States Chamber of Commerce. For the past several years he has given much of his time to work with various government agencies. A year spent in Brazil with the Office of the Coordinator of Inter-American Affairs aroused the interest in aviation which inspired this article.

Franz B. Wolf: Was born and educated in the area of Germany which will be the American zone of occupation. A graduate of the University of Freiburg as a Doctor of Political Science, he served as statistician and economist for a bank until joining the editorial staff of the *Frankfurter Zeitung*, at the time when it was the leading democratic newspaper in Germany. Hitler's rise in power made it expedient for him to leave the country. In America, after traveling in the East and Midwest, he became first a statistician with an investment firm, then a member of the staff of a business newspaper. Today he is Directing Editor on the staff of the Research Institute of America.

E. S. Cowdrick: Has been an industrial relations consultant in New York for many years and is a recognized authority on many phases of industrial procedures. He is the author of several books on personnel subjects and has written frequently in the past for *NATION'S BUSINESS*.

Frank Bourgholtzer: After many years on newspapers in various places, is now on the staff of the *Wall Street Journal*.

Paul D. Green: Combines free lance writing and accountancy. He is a New Yorker.

Herbert Corey, Art Brown and Junius B. Wood are members of the *NATION'S BUSINESS* staff. **Lawrence Sullivan and John Carlyle** have appeared sufficiently often to be old friends with our readers.



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- ✓ **FAVORABLE LABOR RELATIONS** — About 90% population native born. Relations of labor and management highly cooperative.
- ✓ **LOW TAXES** — Efficient, honest city and county government, cooperative with business and industry.
- ✓ **RESOURCES** — Close to mineral, timber, and agricultural resources.
- ✓ **MILD CLIMATE** — Provides most favorable working conditions for skilled — and unskilled labor.
- ✓ **FIRST IN HEALTH** — City and county health programs have won awards for five successive years in nation-wide campaigns.

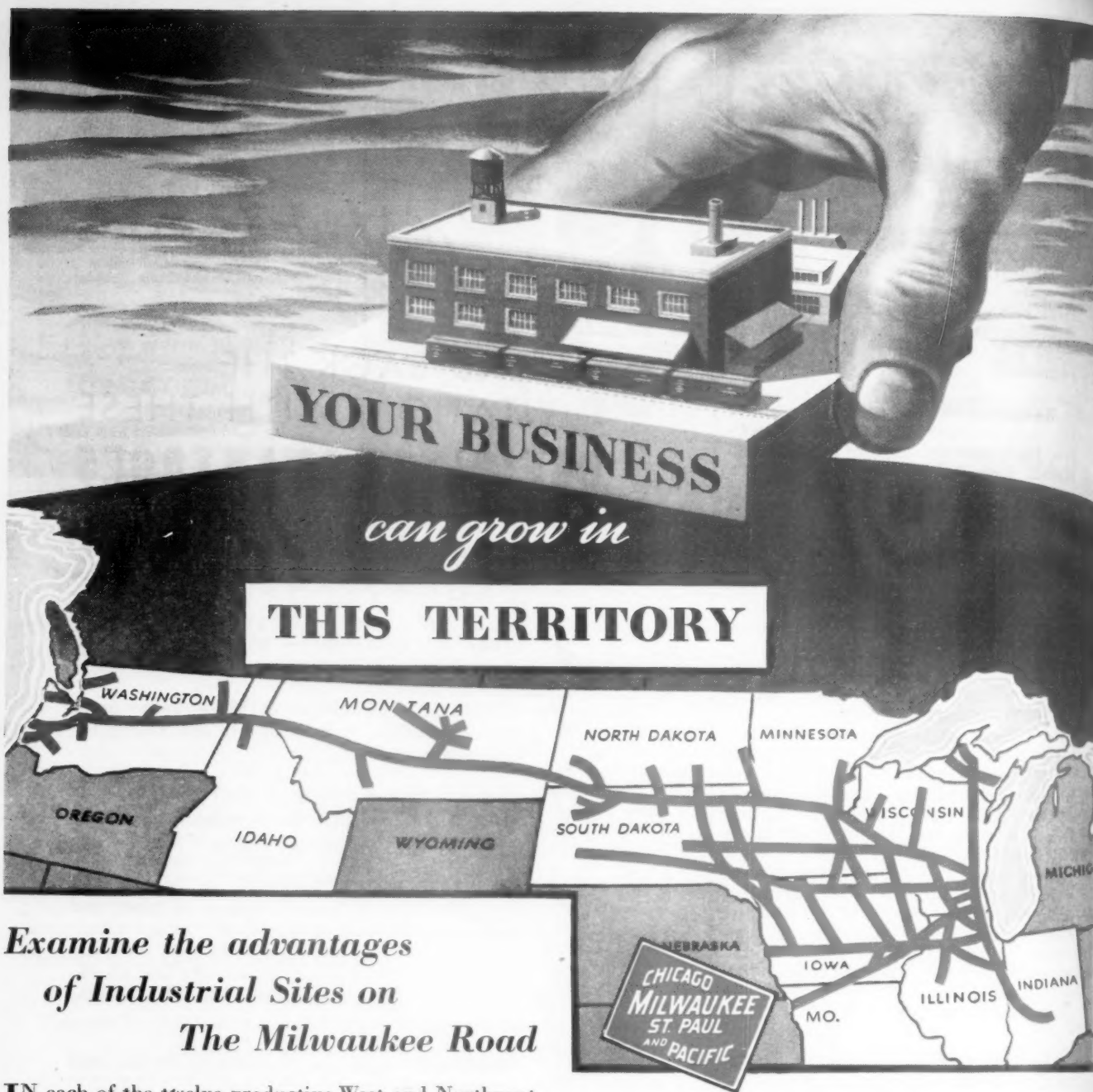
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Certain sections have undergone material changes in the patterns of both production and consumption. Population shifts have occurred and more skilled workers have been drawn to areas where industry is expanding.

The gains made through enlarged, newly established

and more diversified manufacturing facilities . . . through the development of low priced hydroelectric power . . . through increased shipping via the Pacific North Coast ports . . . through an even higher efficiency in agricultural production . . . are gains that can be held and applied to the advantages of forward-looking business men.

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We invite you to ask us about available plants and plant sites, distribution facilities and warehouses . . . data on labor, taxes, power, raw materials and other controlling factors. All inquiries held in confidence. Address E. B. Finegan, Chief Traffic Officer, The Milwaukee Road, Room 780, Union Station, Chicago 6, Ill.

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Capital Scenes... and What's Behind Them



Sun rising in the West

THIS town is populated almost entirely by people who know all about politics. They live by it—or them?—and they



die of such politically induced ailments as changes of administration and marbled arteries. Today the talk is that:

"If President Truman doesn't stub his toe he'll be a hard

man to beat in 1948."

He is staking claims in the West. The winning votes will be found there.

Wallace is on a limb

ONE of the foremost members of the House—hardshell Republican, cold blooded as a bartender—said:

"The people had grown tired of Groton. They want to get back to the Little Red School House."

Not in depreciation of Roosevelt, but in recognition of what he believes to be the trend. He seems to see a certain unhappiness in Henry Wallace's countenance. Not resignation, mind you, but recognition.

As a member of the Cabinet, Secretary Wallace can hardly wave any fiery crosses from a window in the Department of Commerce.

A parallel with Hoover

IN 1928 Herbert Hoover was as active a candidate for the presidential nomination, without actually opening headquarters. Other people were given that chore. President Coolidge had said: "I do not choose to run," but no one knew what it meant. Mr. Hoover was obliged to keep a bright and shining face as a man in the Cabinet until the situation cleared up. The delegates to the convention finally cleared it for themselves by deciding that Coolidge was not double-talking, and Hoover got the prize.

The parallel is not exact. No one expects President Truman to leave any doubt in the mind of anyone. He is, unless the speaker is in mortal error, building up a machine that has the outer aspect of a bulldozer.

Safe from cold winds

OBSERVERS seem certain that a killing frost is hovering over Secretary of State Stettinius. He is next in succe-

sion under the present law, he is an Easterner, and if "something should happen" to President Truman, he would prefer to be succeeded by a man who hails from the West.

But that isn't all of it.

Same observers think that Stettinius has not shaken up the State Department.

Same observers say it needs a shake-up. They do not note that it cannot be shaken up. It stands on a rock.

An independent entity

THE rate of annual growth in the State Department—as measured by the rings in the wood—is very slow. A diplomat enters as a boy. Voice still changing. Apt to go into a distressing peep when confronted by an emotion, such as Russia or Damascus.

He ages, hardens, takes his degrees in Civil Service, and when he has learned how not to laugh at anything funny he is set in his place. Protected by Civil Service, seniority, the political friends he has picked up, and the staff members of the sixty-nine foreign service establishments, each of whom has also come up the hard way.

All of these servants of state are safe from interference. They may resign, but it would occasion too much trouble to fire them. They are as independent of presidential control as the wild foxes in their dens.

Not one of them would defy a President, but as a body they make their country's policies. If checked in this they can just sit back on their pants and wait for the next President.

Light on the recent past

PRESIDENT ROOSEVELT simply bypassed the Department. He made his own policies and if the diplomatic gentlemen in the State Department did not like them, they had the privilege of picking out some beautiful lake. When Cordell Hull was Secretary of State the uninformed used to complain—

"He pays no attention to the Department—Just goes on his own way—"

Colonel Hull had had a peek at the departmental hand. He knew when he was outheld.

Mr. Stettinius may not yet have discovered that he has been boxed in a corner. He might even leave the Department, covered with glory and smiling like mad, without finding out that he had never been there at all.

Another old bone

THESE reflections call attention to the fact that the departments, bureaus, and authorities are almost unbeatable in any conflict with the constitutional branches of the Government, such as the legislative and the executive. They could, no doubt, give even the Supreme Court a mighty tussle, but they never will. The Court could, if it so desired, pull a revelation on them, like the recent Reno mill decree.

Not until the next decision is handed down will a great many of our people know who is married to whom and where.

That is another story.

At the moment consider the case of the soldier who had been dishonorably discharged after the First War. He fought the case. In the end he convinced both Houses of Congress that the facts did not justify this action by the Army.



A law was passed and signed by the current President, restoring him to honorable place on the Army's rolls.

Is he there? Not a chance. He is still bouncing from one Army letter writer to another. After 20 years.

An unpublished story

AT Yalta President Roosevelt was not only a sick man. He was worn out. When Stalin in the course of trading said:

"The American armies in Germany are traveling very fast. It would oblige the great Russian people if you ordered your generals to hold up, so that the Russian soldiers will be the first to enter Berlin."

Mr. Roosevelt agreed.

But he was worn out and very sick. Perhaps he did not forget his promise, but in the rush of events he neglected to give the order.

Stalin cabled and telephoned violent protests and Mr. Roosevelt immediately gave the orders that stopped our armies and let the Russians smash first into Berlin.

Hopkins as a witness

EVERY man who had anything to do with the inner workings of any one of the conferences of the first Big Three—Roosevelt, Churchill and Stalin—will be called as a witness before the senatorial committee of inquiry.

Harry Hopkins will be one of the first, unless his health compels a postponement:

"We believe he will be a candid and forthright aid to us."

Senate sentiment toward Hopkins has warmed up. Not long ago it was as cold as scientific zero. The change is, of course, traceable to the fact that old hates have been largely wiped out by President Truman. He will carry out his

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Precision
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predecessor's policies for a time but—after all—this is the Truman Administration.

The man of mystery

MAJ. GEN. "WILD BILL" DONOVAN'S Office of Strategic Services continues to be a governmental enigma. No one knows precisely what the good General and his very expensive establishment have been doing. A feeling was prevalent that it was just another of the extravagant doodads hung on the administrative framework by political theorists and young folks who like to travel.

No one knows even yet what he has been up to.

But there is a thought that the OSS has provided information about some of our wilder goings-on in Europe that could have been gotten from no other quarter.

Tractors for Greece

THE rule under Roosevelt was that no governmental department, bureau or authority could inform on any other. No



investigative agency could inquire into the affairs of any office except with the ungrudging consent of the office to be investigated. There were leaks, of course, but the all-for-one plan was generally adhered to.

Perhaps the OSS did not adhere.

There is a story, for example, that the UNRRA sent 800 tractors to Greece which were badly needed by American farmers. The Greek farmers did not want them. Their fields are always small, many are on hillsides, and they protested that they wanted other things.

But they got the tractors.

Germans to try Germans

MANY of the crimes charged against the Nazis are violations only of German law and are not punishable under any theory of international law. The arrest, torture, starvation and eventual murder of a German by Germans in a German concentration camp are matters for Germans to deal with. The broken laws are still on the German books, the murderers can be taken before German courts, and punishment can be ordered by German judges.

That is what will be done. The Allies will not permit these flagrant offenses against every moral law to go unpunished.

A German judge who proved to be unfair, dilatory, afraid or a Nazi could be yanked off the bench. And will be. Such a judge could be severely punished under international law. Everything may work out for the best.



Enter the werewolves

THE Army chiefs have been talking of the utter defeat of the German army. Never was any professional force so thoroughly smashed. But the German people are—on the authority of soldiers who have covered many of the German areas which suffered lightly from the bombing—as arrogant as ever:

"They seem not to know they have been licked."

They will make as much trouble for the Allied occupiers as they can, once they are well fed again, and are at work. Their methods will be clandestine, of course, but they will be effective. No one questions the efficiency of the Resistance forces in France, or the excellent methods of the guerrilla fighters in all the occupied countries.

The cases are parallel except that the Germans will be dominated by the Werewolves. They are fanatics, but they are not new style fanatics. Similar organizations have existed in Germany for centuries. There may be German judges who will defy the Werewolves by sentencing Nazi murderers to death. The Army thinks American soldiers will be kept busy in Germany—if only to defend the Germans other Germans would torture and kill—for a long time.

Little less lend-lease?

THERE is a report on The Hill, originating with some of the legislators who have sat in on President Truman's quiz

sessions, that some of our friends and Allies may be called on to return to us many, perhaps all, of the weapons and vehicles lend-leased to them:

"They will not be so likely to lose their tempers in the difficult days ahead if they have not our tanks and trucks and M-1's to fight with."

It's an idea. But not much of one.



One thing is sure

THE national administration within a year will be rid of the free-and-foot-loose little presidents, stationed 40 feet apart, and vocal as catbirds. Mr. Truman proposes to tighten up the machinery of government until it squeaks. Nothing sours him more than to see ten or fifteen men playing kitty-corner with a one-man job.

There are something like 1,000 such groups which to some extent duplicate or interfere with other groups. The food shortage is probably entirely due to this triple-tonguing. Everyone meant well. Everyone, too, used sharp elbows on all the others within reach. Just an incredible mess. One of these days, too, he will report to the nation on the promises we have made. Our wheat cannot be moved because we're short of freight cars, but we are giving 17,000 to France. Someone's screw is loose.